June 7, 2019

President Donald Trump
The White House
1600 Pennsylvania Ave, NW
Washington, DC 20500

Dear Mr. President,

We write today to express our disappointment that the recently finalized Centers for Medicare & Medicaid Services (CMS) rule, Modernizing Part D and Medicare Advantage to Lower Drug Prices and Reduce Out of Pocket Expenses (CMS-4180-F), failed to finalize the pharmacy direct and indirect remuneration (DIR) fee reform for plan year 2020, as included in CMS’s original proposal. While we commend the administration for your goal to reduce seniors’ out of pocket costs for prescription drugs, we believe that finalizing this rule without including DIR reform is a missed opportunity to deliver real cost savings to Medicare beneficiaries. Without DIR reform, another year could pass before seniors see drug prices lowered at the pharmacy counter.

As CMS itself cited in the proposed rule, DIR fees on pharmacies participating in Part D grew by 45,000 percent between 2010 and 2017. This increase is unacceptable and unsustainable, and creates uncertainty not only for community and specialty pharmacies but also for the patients who rely on Part D prescription drugs. Until pharmacy DIR fee reform occurs, seniors will continue to pay higher cost-sharing for their prescription drugs. CMS estimated that these reforms would have saved Medicare beneficiaries between $7.1 and $9.2 billion in cost sharing over the next ten years.

For these reasons, we continue to encourage the administration to move forward with efforts to deliver seniors real relief from rising prescription drug costs. We stand ready to work with you to determine how we can adopt this relief this year.

Sincerely,

Shelley Moore Capito
United States Senator

Jon Tester
United States Senator
James Lankford
United States Senator

David A. Perdue
United States Senator

M. Michael Rounds
United States Senator

Dan Sullivan
United States Senator

John Kennedy
United States Senator

Doug Jones
United States Senator

Cindy Hyde-Smith
United States Senator

Marsha Blackburn
United States Senator

Kevin Cramer
United States Senator

Maria Cantwell
United States Senator

CC: Vice President Mike Pence
Russell Vought, Acting Director, Office of Management and Budget
Alex Azar, Secretary of Health and Human Services
Seema Verma, Administrator, Centers for Medicare & Medicaid Services
Larry Kudlow, Director, National Economic Council
Joe Grogan, Director, Domestic Policy Council