Congress of the United States

Washington, DC 20515

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 More Capito

Shelley Moore Capito United States Senator

Jon Tester United States Senator

James M. Inhofe United States Senator

Tom R. Carper

United States Senator

John Thune

United States Senator

John Boozman

United States Senator

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Lisa Murkowski United States Senator

oger F. Wicker United States Senator

John Hoeven United States Senator

Jerry Moran

United States Senator

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Angus S. King Jr. United States Senator

Tom Cotton United States Senator

Joni K. Ernst United States Senator

Bill Cassidy, MD United States Senator

Steve Daines

United States Senator

Cory Gardner United States Senator

Joe Manchin III

United States Senator



United States Senator

M. Michael Rounds United States Senator

John Kennedy United States Senator

Cindy Cindy Hyde-Smith

United States Senator

Kevin Cramer United States Senator

David A. Perdue United States Senator

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Dan Sullivan United States Senator

Doug Jones United States Senator

Marsha Blackburn United States Senator

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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