

**Opening Statement of Representative Anna G. Eshoo – 5 minutes**  
Subcommittee on Health  
House Committee on Energy and Commerce  
*“Prescription Drug Coverage in the Medicare Program”*  
2322 Rayburn House Office Building  
April 30, 2019

- Today, this Subcommittee continues its work to lower drug prices for seniors and families.
- Last month, the members of this Subcommittee passed six bipartisan bills to make prescription drugs more affordable by increasing market competition.
- Today, we are taking a close look at the Medicare program to understand what is leading to high prescription drug costs for the 60 million Americans who get their drugs through Medicare.
- To inform our work, we have Dr. Mathews, the executive director of MedPAC, the Medicare Payment Advisory Commission. MedPAC

provides valuable nonpartisan advice to Congress on the Medicare program.

- We need expert advice – drug prices are skyrocketing and Congress must act.
- Before we do, we must understand the Medicare program and its challenges.
- Medicare accounts for one out of every three dollars spent on prescription drugs, and drug spending is growing rapidly each year.
- Whether a patient gets their drugs at the hospital under the Part B program or the pharmacy counter through the Part D program, costs are rising.

- In the Part B program, Medicare drug spending doubled from 2009 to 2017. We spent \$32 billion on Part B drugs in 2017. Part D drug spending has also nearly doubled over the past ten years. We spent \$80 billion in the Part D program in 2017.
- These rising costs are putting unsustainable pressure on the Medicare program and American families. In a recent Kaiser Family Foundation poll, 23 percent of seniors say it is difficult to afford their medications.
- I know it's true for my constituents. I've heard from people worried when they leave their doctors appointment with a new prescription and no way to pay for it.
- America leads the world in innovative health care, but soon, few people will be able to afford cutting-edge care.

- This Committee, through our work on the 21<sup>st</sup> Century Cures Act, promoted the development of novel, breakthrough treatments. But, with the development of these treatments has come increased spending.
- Spending on drugs in specialty tiers has grown nearly 1,000 percent over ten years – from \$3.4 billion in 2007 to \$37.1 billion in 2017.
- Because Medicare has no limit on out-of-pocket spending, people who rely on specialty drugs are hit especially hard.
- One study found needing a single specialty drug could cause people on Medicare to spend anywhere from \$2,000 to \$16,000 out-of-pocket annually.

- Every senior deserves high-value, innovative medicine to improve their lives, but rapidly increasing costs affect their ability to get the drugs they need.
- We need solutions. Today's hearing will get us another step closer.
- Welcome to Dr. Mathews and I look forward to your expert advice on improving the Medicare Part B and D programs.