

**Opening Statement of Republican Leader Greg Walden
Subcommittee on Health
“Prescription Drug Coverage in the Medicare Program”
April 30, 2019**

As Prepared for Delivery

Thank you, Chairwoman Eshoo for holding this hearing today. This hearing continues this committee’s important work on bringing down the cost of prescription drugs for patients across the country, including seniors in the Medicare program.

I’d like to thank our witness, Dr. James Matthews, Executive Director for the Medicare Payment Advisory Commission, more commonly known as MedPAC. MedPAC provides a valuable service to lawmakers in Congress, as an independent, non-partisan commission providing data analysis and policy recommendations to improve the Medicare system. We value this input and appreciate the work of the commission.

Today, we call on MedPAC’s expertise with respect to rising prescription drug costs in the Medicare system. This Committee has a

long history on the issue, including the creation of the Part D benefit back in 2003 that nearly 44 million Medicare beneficiaries use today. It's important to note that the overwhelming majority of seniors who have Part D are satisfied with their plan, and premiums have remained stable and relatively low throughout the program's history. The program has largely been a success, harnessing the power of competition to create a working market that gives consumers choice and keeps prices down.

There are challenges in Part D, however, that have grown over time and have saddled some beneficiaries with significant increases in their out-of-pocket costs. Additionally, the share of part D spending attributable to the catastrophic stage of coverage has increased from 14% of program costs in 2006 to 40% in 2017. We should confront these issues now to modernize the Part D benefit, keep drugs affordable for seniors and address misaligned incentives that drive up costs

The same goes for Part B, where a small number of drugs represent a large percentage of government and beneficiary spending on the

program. As others have noted, Part B drug spending has increased almost 10% per year since 2009. While there has been tremendous development of specialty drugs that can effectively treat cancer and other diseases in amazing ways, these rising costs must also be confronted. I look forward to hearing from our witness on whether the current structure of how Part B drugs are reimbursed can be modified to foster competition and lower prices.

One consistent concern I hear about from my constituents in Oregon as I hold town halls and other meetings is the high cost of prescription drugs. I know that my colleagues on both sides of the aisle have heard similar concerns in their districts as well.

We have worked in a bipartisan manner on lowering drug costs over the past several years, during my tenure as Chairman and during the first few months of this year. I believe that should continue, and this hearing will help us further our bipartisan work to lower drug costs for American consumers and seniors who rely on Medicare.

Thank you again to our witness for being here today, and I look forward to a productive hearing.