



President
Robert Roach, Jr.

Secretary-Treasurer
Joseph Peters, Jr.

May 4, 2021

The Honorable Frank Pallone
Chairman
Committee on Energy and Commerce

The Honorable Anna Eshoo
Chairwoman, Health Subcommittee
Committee on Energy and Commerce

Dear Chairman Pallone and Chairwoman Eshoo,

On behalf of the 4.4 million members of the Alliance for Retired Americans, I am writing in support of H.R. 3, the Elijah E. Cummings Lower Drug Costs Now Act. This historic legislation will help reduce drug spending under the Medicare program, lower out-of-pocket costs for all insured Americans and expand drug research.

Americans pay the highest prices in the world for prescription drugs. A new [report from the U.S. Government Accountability Office](#) found that net prices for prescription drugs in the United States for 20 selected brand-name products were two to four times higher than the prices for the same drugs in Canada, Australia and France. Older Americans bear the brunt of these high prices, with twenty-five percent of seniors report not taking a drug as prescribed due to its cost.

H.R. 3 will make a real difference in the lives of millions of older Americans. It requires the Secretary of Health and Human Services to negotiate lower drug prices for 250 of the most expensive drugs under Medicare, including insulin. The negotiated prices will extend to 180 million Americans receiving employer-provided health insurance. This is a win for all Americans.

Further, the bill caps yearly out-of-pocket costs under Medicare Part D to \$2,000. This provision is critical to the millions of Americans for whom their modest Social Security benefits are their primary source of income. Currently, there is no Medicare out-of-pocket cap and specialty drug costs that treat rheumatoid arthritis, multiple sclerosis and cancer continue to escalate. According to Kaiser Family Foundation, the average out-of-pocket spending for 28 of 30 widely prescribed specialty drugs is \$8,109 per year.

The bill also limits increases in drug prices in Medicare Parts B and D to the rate of inflation. Drug companies that increase prices above this level would be required to lower them or pay a rebate to the government.

H.R. 3 would save the Medicare program nearly \$500 billion. The savings would be invested in research at the National Institutes of Health (NIH) and the Food and Drug Administration (FDA) and to combat the opioid crisis. The savings could also be used to improve benefits under the Medicare program by adding vision, hearing, and dental.



This legislation will not hinder drug research. Our tax dollars fund a substantial portion of drug research. Forty percent of drug research is currently paid for by either federal funds, through National Institutes of Health (NIH) research and tax subsidies, or by foundations and advocacy organizations. The Center for Integration of Science and Industry, a think tank, found that of the 210 drugs approved by the Food and Drug Administration between 2010 and 2016, every single drug was developed through NIH funded research.

Thank you for reintroducing H.R 3, holding this hearing, and for your leadership on this very important issue.

Sincerely,


Richard J. Fiesta
Executive Director

