Five Ways the White House Can Lower Prescription Costs

A letter from 124 patient groups urges the White House to make drugs more affordable—and spells out how it can do so.

May 10, 2021 By Trent Straube

A letter signed by 124 patient advocacy groups and sent to the Biden administration urges federal officials to make prescription drugs more affordable. What's more, the letter lays out five steps the White House can take to reach this goal.

Spearheaded by the HIV+Hepatitis Policy Institute and the American Autoimmune Related Diseases Association, the letter was signed by organizations representing people with health issues ranging from diabetes and cancer to lupus, hepatitis and HIV. It was sent April 23 to Secretary of Health and Human Services Xavier Becerra. You can read the letter in full on HIVHep.org; it states in part:

> "Amid a global pandemic and continued economic challenges for our country, the ability of patients to afford medically necessary medications to manage their health has been further threatened. Patients today face significant prescription drug affordability challenges that have only grown worse due to the cost of medications along with insurance benefit design, including high deductibles and high patient cost-sharing often in the form of co-insurance.…
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> "These realities negatively impact patient adherence and lead to worse health outcomes and increased costs across the health care system. We know that lowering the cost of prescription drugs and ensuring that the Affordable Care Act (ACA) works for its beneficiaries, particularly for vulnerable populations, are high priorities for the Biden administration. While recent actions have been taken to make health insurance premiums more affordable, more work must be done to ensure that once beneficiaries have insurance, it will work effectively for them and their families."

The advocates ask federal officials to work with patient community groups and to take the following five steps:

1. Enforce the nondiscrimination provisions of the Affordable Care Act, notably those prohibiting insurers from placing drugs for certain conditions on the highest drug tier and requiring unneeded

prior authorization.

2. Institute cost-sharing caps for patients, including the costs that patients must pay out of pocket for a month's supply of a medication.

3. Require insurers to offer plans that include first dollar coverage of prescription drugs. (First dollar coverage is insurance that requires no deductible or co-pay.)

4. Count co-pay assistance toward patient's out-of-pocket maximums.

5. Address the role of rebates and pharmacy benefit managers, specifically by requiring health plans to share the savings with patients at the pharmacy counter.

"While the Biden administration and Congress have recently taken steps to make insurance premiums more affordable, they must also enact policies to ensure insurance works for patients by improving prescription drug affordability. The need for immediate action is mounting as patients are facing significant barriers to afford and access their medications amid the economic challenges of COVID-19, harmful insurance policies, and trends in patient cost-sharing requirements," said Carl Schmid, executive director of the HIV+Hepatitis Policy Institute, in a press release about the letter.

The @HIVHep & the @AARDATweets, along w/ 122 other patient groups, delivered a sign-on letter to @HHS @SecBecerra that...

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"Current trends in our health care system are leaving many vulnerable and underserved patients with few safeguards from rising out-of-pocket costs for their prescription medications," added Lilly Stairs, interim CEO of the Autoimmune Related Diseases Association. "We look forward to working with Secretary Becerra and President Biden to implement solutions that improve prescription drug affordability and access for the American people and build on the foundation of the Affordable Care Act."

The topic of health care costs recently made national headlines again when the Biden administration released its $1.87 trillion American Families Plan, one of its three major economic recovery plans (the others are the American Rescue Plan, which was signed into law in March, and

the American Jobs Plan).

Many health advocates and Democrats had hoped that the American Families Plan would expand Medicare and lower drug prices. Instead, the plan addresses free education, direct support and tax cuts for families with children and other issues; the Biden administration has said it will address health care at a future time. Vox explains the health care aspects of Biden's American Families Plan as such:

> "Right now, in his proposed American Families Plan, Biden is asking Congress for $200 billion to expand the Affordable Care Act's subsidies for health insurance premiums. The expansion already passed in the American Rescue Plan but expires after two years; the new proposal would make them permanent. The public option is nowhere to be found.
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> "Meanwhile, the payment plan Biden proposed during his campaign and in his debate with [Senator Bernie] Sanders—an increased tax on capital gains—will probably be used to pay for other parts of the Biden agenda, while a $450 billion savings proposal, favored by most Democrats in Congress, that would allow Medicare to directly negotiate drug prices with pharmaceutical companies was also left out of the Families Plan. Congressional Democrats were urging Biden to include the drug price idea and use the savings to pay for coverage expansions, such as lowering Medicare's eligibility age."

A few days after the health advocates' letter was sent to Secretary Becerra, the health department and the Centers for Medicare & Medicaid Services (CMS) released its rules regarding payment parameters and pharmacy benefit manager standards that apply to private health plans in 2022. In short, insurers will be allowed not to count co-pay assistance toward patients' out-of-pocket expense.

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"We are deeply disappointed that CMS passed on addressing the issue of co-pay assistance for prescription drugs and requiring insurers and pharmacy benefit managers (PBMs) to count assistance towards patient out-of-pocket cost-sharing and deductibles," the HIV+Hepatitis Policy

Institute's Schmid said in a statement. "Even before COVID-19, patients were struggling to afford their medications and relied on co-pay assistance from drug manufacturers. Now, the need is even greater. We know that the Biden-Harris administration wants to improve patient affordability of health care, particularly for vulnerable communities; however, they missed a perfect opportunity to demonstrate this commitment."

In related news, see "Four Ways the $1.9 Trillion COVID-19 Relief Plan Boosts Obamacare," "President Biden Proposes New Agency for Medical Breakthroughs" and "Biden's Budget Request Increases HIV Funs by $267M."

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