NATIONAL HEALTH COUNCIL

National Health Council
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September 8, 2021

The Honorable Chuck Schumer
Leader
United States Senate
Washington, DC 20510

The Honorable Mitch McConnell
Minority Leader
United States Senate
Washington, DC 20510

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, DC 20515

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
Washington, DC 20515

Dear Leader Schumer, Minority Leader McConnell, Speaker Pelosi, and Minority Leader McCarthy:

On behalf of the National Health Council (NHC), I am writing to share our recommendations for policies to include in the upcoming reconciliation package. These recommendations represent the thinking of a diverse group of health care stakeholders led by NHC patient groups and other members. As we enter a critical period in health care policy, we believe that these recommendations can serve as a useful tool in assuring that proposals are aligned with the wants and needs of patients. The specific recommendations included below are a subset of a forthcoming set of policy recommendations that have been identified as priorities to address health care costs while also meeting the needs of patients and advancing health equity. The recommendations included in this letter are those that are germane to the reconciliation bill.

Created by and for patient organizations 100 years ago, the NHC brings diverse organizations together to forge consensus and drive patient-centered health policy. We promote increased access to affordable, high-value, sustainable health care. Made up of more than 140 national health- related organizations and businesses, the NHC's core membership includes the nation's leading patient organizations. Other members include health-related associations and nonprofit organizations including the

provider, research, and family caregiver communities; and businesses representing biopharmaceutical, device, diagnostic, generic drug, and payer organizations.

Across its various workstreams, the NHC is committed to increasing access to sustainable, affordable, high-value care and promoting health equity. As such, for each policy we recommend, we uphold that savings achieved via policy reforms must be directly reinvested to benefit patients and the systems that support them. Particularly, **we support making permanent the enhanced advance premium tax credits included in the American Rescue Plan**. We are also pleased to see attention placed on expanding the scope of the Medicare benefit.

The NHC strongly opposes policies that achieve savings if they negatively impact patient safety, quality, or access to existing or future care. Additionally, it is important that any efforts designed to reduce health care costs must be predicated on promotion of value as defined by the patient and include processes and methods that engage patients to avoid discrimination against people with chronic diseases and disabilities. For instance, as Congress debates whether to allow Medicare to directly negotiate with drug companies, we reiterate our opposition to the use of an international benchmark as part of the process. This approach does not take into account the outcomes American patients want, how they prioritize them, how they assess benefits and risks, and what they will/will not trade off, which can vary significantly by country according to socioeconomics, culture, norms, etc. The NHC actively supports efforts to better incorporate patients into the ongoing debate on defining value in health care.

As the reconciliation process progresses, it is essential that you and your fellow policymakers understand the impact of various proposals on patients and prioritize ones that limit patient financial barriers to accessing care.

We recommend that the following policies be incorporated into reconciliation:

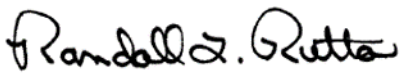
- Update the Medicare Part D benefit structure to include the lowest possible out-of-pocket (OOP) limit in order to benefit the greatest number of patients, allow for certain patients facing high cost-sharing to pay these amounts over the course of the year (instead of all at once), eliminate the coverage gap, and lower government liability by increasing plan and manufacturer liability throughout the Part D benefit.
- Expand access to home and community-based services (HCBS) in Medicaid, for example, by enhancing the Federal matching funds available to states to provide HBCS services, as proposed in the Better Care Better Jobs Act (S. 2210) and by rebalancing home and community based services under Medicaid by making permanent the Money Follows the Person Demonstration Program, as proposed in H.R. 1880.
- Build on the Center for Medicare and Medicaid's (CMS) Medicaid Value-Based Purchasing Final Rule (CMS-2482-F) and encourage outcome-based contracting/value-based arrangements by allowing new flexibilities related to the anti-kickback statute, Stark law, and pricing metric calculations (e.g., Best Price). In advancing these flexibilities, CMS must engage patients and encourage patient engagement by eligible entities to ensure that any outcome-based measures reflect the needs and priorities of patients.
- Experiment with greater use of Medicare, Medicaid, and private health-insurance funding for services that are not traditional medical interventions but support better health outcomes that are identified as a priority by patients. Funds could be used for, among

other purposes, addressing food insecurity, providing transportation for health-related activities, and making housing accessible and healthier.

- Require manufacturers to pay rebates to CMS if Medicare Part B or Part D net prices exceed the rate of inflation and ensure that CMS reinvests paid rebates to directly benefit patients' ability to access and afford their medicines. While current proposals focus only on list-price growth, policymakers should consider how growth in net prices should be integrated into any policy that looks to reduce drug spending.
- To break down financial barriers for patients to receive coordinated care, require or incentivize adequate coverage for patient-centered services and supports that are proven to reduce costs and manage chronic diseases. An example is removing the cost-sharing currently required for chronic-care management services under Medicare.
- Invest in the Federal public health system and prioritize public health programs through the Centers for Disease Control and Prevention and other Federal entities that address disease prevention and management.
- Provide enhanced tools for patients to understand coverage of products and services (including cost sharing) to drive informed action at crucial points of decision making, such as at the time of plan selection (through improvements to Medicare Plan Finder and/or HealthCare.gov), at the time of prescribing, and/or at the time of treatment decisions (such as by building on changes made by Congress and CMS to advance real-time benefit tools).
- Require manufacturers to report meaningful information and disclose supporting documentation needed to justify price increases for drugs, biologicals, and biosimilars. Reported information includes but is not limited to:
    - A narrative of factors contributing to the drug's pricing;
    - Information demonstrating comparative patient value;
    - Acquisition information if the drug was not developed by the current manufacturer;
    - Aggregate research & development expenditures; and
    - Aggregate rebates, discounts, and other concessions that reduce the effective price.
- Expand CMS' reporting on drug costs and spending, including price concessions and rebates, to help inform cost-containment strategies and drive informed action by health care stakeholders.
- Create a mechanism to ensure some or all cost savings to a plan/pharmacy benefit manager resulting from rebates, fees, and/or any other negotiations and price concessions are passed through to the patient, such that patients have lower OOP costs for drugs that have greater rebates.

We look forward to working with you to advance these policy recommendations in the coming months. Please do not hesitate to contact Eric Gascho, Vice President of Policy and Government Affairs if you or your staff would like to discuss these issues in greater detail. He is reachable by phone at 202-973-0545 or via e-mail at egascho@nhcouncil.org.

Sincerely,



Randall L. Rutta
Chief Executive Officer