

January 28, 2023

The Honorable Xavier Becerra  
Secretary  
U.S. Department of Health and Human Services  
200 Independence Ave. SW  
Washington, DC 20201

The Honorable Chiquita Brooks-LaSure  
Administrator  
U.S. Centers for Medicare & Medicaid Services  
7500 Security Boulevard  
Baltimore, MD 21244

Submitted via <https://www.regulations.gov>

**RE: Patient Protection and Affordable Care Act, HHS Notice of Benefit and Payment Parameters for 2024 (CMS 9899-P)**

Dear Secretary Becerra and Administrator Brooks-LaSure,

On behalf of America’s patients, consumers, and taxpayers we applaud your efforts to lower patient spending on prescription drugs. Specifically, we urge you to finalize the proposal to require health plan issuers to place generic drugs on tiers labeled “generic” and brand-name drugs on tiers labeled “brand-name.” As the agency notes, “it is reasonable to assume that consumers expect that only generic drugs are covered at the cost-sharing amount in the generic drug cost-sharing tier.” And because generics represent 9 out of 10 prescriptions but only 18 percent of spending, this proposal represents an important opportunity to lower overall drug spending, reduce patient confusion, and lower costs for patients.

Generics and biosimilars offer immense value to patients and the health care system. Over the last decade, these lower-cost medicines have saved America’s patients and our system more than \$2.6 trillion.<sup>1</sup> However, recent changes in the treatment of generic medicines on formularies often reduce the full value of generics and put those patient savings in jeopardy.

In recent years, too many formularies are no longer placing generic drugs on generic tiers, thereby causing confusion and imposing unnecessarily higher costs on patients. A recent Avalere analysis showed that in 2022, just 43 percent of generic drugs were placed on a generic tier in Medicare.<sup>2</sup> And exchange plans display similar room for improvement, as one-third of all generics are not on generic tiers.<sup>3</sup>

In fact, a recent IQVIA analysis found that over half of patients covered by commercial health insurance or Medicare who had abandoned their prescription could reduce their out-of-pocket costs by 20

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<sup>1</sup> Association for Accessible Medicines. (September 2022). “2022 Generic and Biosimilar Medicines Savings Report.” Retrieved From: <https://accessiblemeds.org/resources/reports/2022-savings-report>

<sup>2</sup> Avalere. (January 24, 2022). “57% of Generic Drugs are Not on 2022 Part D Generic Tiers.” Retrieved From: <https://avalere.com/insights/57-of-generic-drugs-are-not-on-2022-part-d-generic-tiers>

<sup>3</sup> Association for Accessible Medicines. (January 2023). “Comment Letter on HHS Notice of Benefit and Payment Parameters for 2024 (CMS 9899-P)”

percent or more by using a discount card.<sup>4</sup> This is clear evidence that formulary design is creating unnecessarily high costs for many patients.

Therefore, our organizations commend the administration for its proposal to require that generic drugs be placed on generic tiers. This represents a simple and practical solution to encourage use of lower-cost generics, reduce patient uncertainty and lower out-of-pocket costs for lifesaving medicines.

America's patients, consumers and taxpayers are in dire need of policies that will improve the affordability and accessibility of generic and biosimilar medicines. Lowering patient costs at the pharmacy counter is an important step in ensuring timely and proper access to affordable medicines. We stand ready to work with you and your colleagues to continue to improve timely and proper access to affordable medicines.

Sincerely,

60 Plus Association  
AiArthritis  
Allergy & Asthma Network  
Alliance for Retired Americans  
American Academy of Neurology  
American Association on Health & Disability and Lakeshore Foundation  
American Consumer Institute  
American Podiatric Medical Association  
Black Women's Health Imperative  
Bladder Cancer Advocacy Network  
Consumer Action  
CancerCare  
Global Healthy Living Foundation  
Hydrocephalus Association  
National Association of Hispanic Nurses  
National Consumers League  
National MS Society  
Oncology Nursing Society  
R Street Institute  
Rheumatology Nurses Society  
Spina Bifida Association  
Vitiligo Support International

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<sup>4</sup> IQVIA (September 6, 2022). "Pharmacy Discount Card Utilization and Impact." Retrieved from: <https://www.iqvia.com/locations/united-states/library/white-papers/pharmacy-discount-card-utilization-and-impact>