

**Congress of the United States**  
**Washington, DC 20515**

June 8, 2018

Speaker Paul D. Ryan  
H-232 The Capitol  
Washington, D.C. 20515

Majority Leader Kevin McCarthy  
H-107 The Capitol  
Washington, D.C. 20515

Majority Whip Steve Scalise  
H-329 The Capitol  
Washington, D.C. 20515

Dear Speaker Ryan, Leader McCarthy and Whip Scalise:

We write to support the extraordinary efforts you have made to fix a CBO scoring error from the Bipartisan Budget Act (BBA) and to protect seniors from a looming Medicare Part D catastrophic cap increase. We support your continued work on these issues and your efforts to attach a fix to an upcoming vehicle.

The scoring error occurred in an estimate of a BBA policy change that undervalued the federal savings attributed to an increase in the discount manufacturers are required to provide in the Part D “coverage gap.” The BBA policy change increased the manufacturer discount (from 50% to 70%) and simultaneously reduced the contribution plans were scheduled to provide to help close the Part D donut hole (from 25% to 5% of costs).

The Centers for Medicaid and Medicare Services (CMS) recently expressed their concern about this change in the Final Part D Call Letter stating, “we have significant concerns about the impact these changes will have on drug costs under Part D in 2019 and future years...”<sup>1</sup>

Congress should fairly rebalance the policy in the coverage gap so that Medicare Part D continues to contain appropriate incentives to help control costs and the policy matches the federal savings originally intended in BBA. Correcting the discount policy will ensure that Part D remains a robust, market-based program.

The second issue requires a change to ensure Medicare seniors are protected from an almost \$1,500 increase to the Medicare Part D catastrophic attachment point. This increase will occur January 1, 2020, if Congress does not act. This looming hike is unfortunately a result of an Affordable Care Act (ACA) gimmick, but one that has real consequences for seniors, many of whom are very sick and on a fixed income. The ACA artificially slowed the rate of growth in

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<sup>1</sup> Announcement of Calendar Year (CY) 2019 Medicare Advantage Capitation Rates and Medicare Advantage and Part D Payment Policies and Final Call Letter. April 2, 2018.

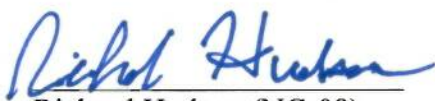
the catastrophic coverage limit from 2014 to 2019, allowing more people to enter the catastrophic phase of the benefit where the government shoulders the vast majority of the costs. This change, in addition to other Part D changes under the ACA, has resulted in increased expenditures for the federal government and taxpayers.

We believe Congress can address the impact of the ACA gimmick and responsibly phase in the correction. This will limit the impact to the federal budget while simultaneously ensuring seniors are not exposed to such massive increases.

Congress should act quickly so that Medicare Part D stays on a more responsible path and seniors have long term predictability. We are prepared to work with you and would support the Committees of jurisdiction's inclusion of policies to correct the BBA error and address the impact of the scheduled catastrophic increase in legislative vehicles being considered for the House floor.

Medicare Part D has been overwhelmingly successful since its enactment in 2003. It is the rare example of a government program that costs far less than originally projected, thanks to robust competition and private sector negotiation.

Sincerely,



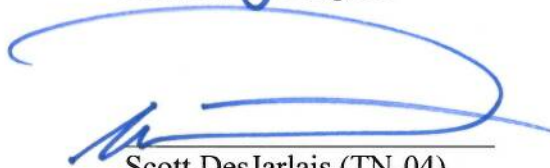
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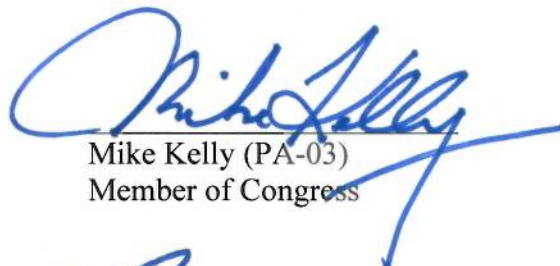
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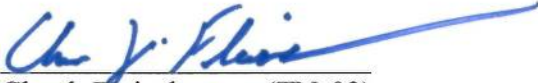
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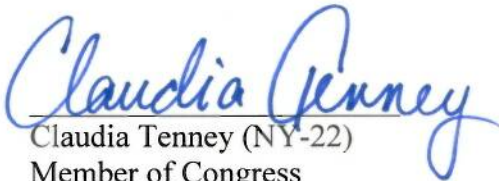
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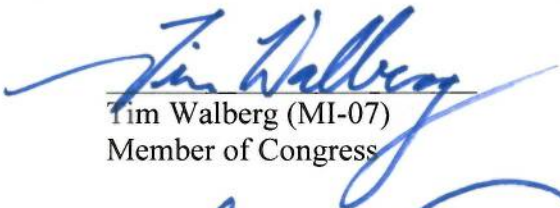
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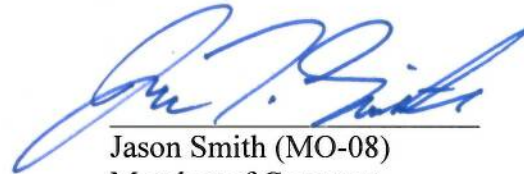
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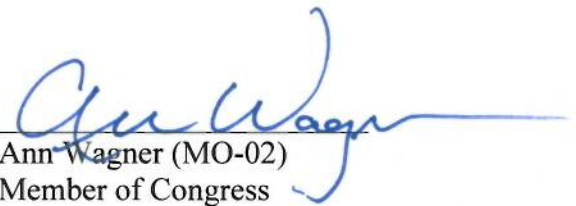
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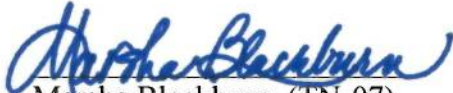
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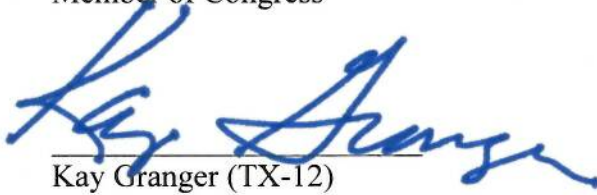
  
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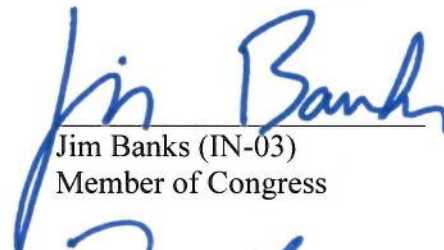
  
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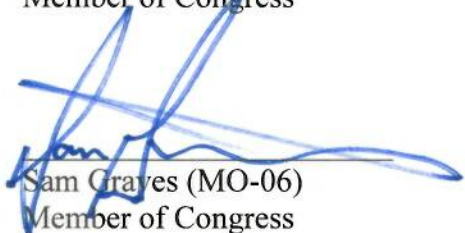




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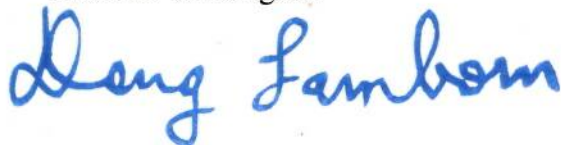
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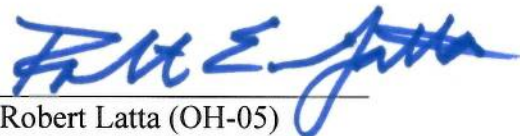
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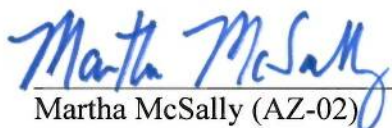
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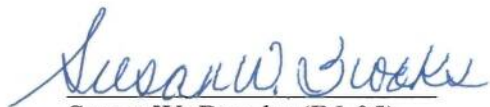
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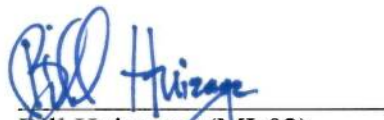
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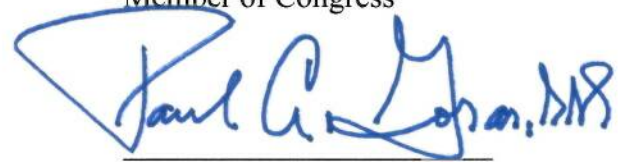
  
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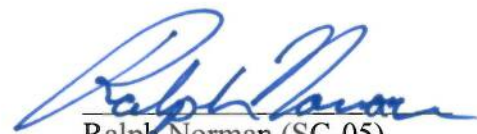
  
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Jack Bergman (MI-01)  
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Ralph Norman (SC-05)  
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Chris Collins (NY-27)  
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Brett Guthrie (KY-02)  
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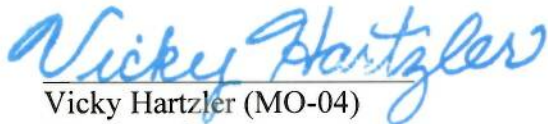
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Ken Calvert (CA-42)  
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Lou Barletta (PA-11)  
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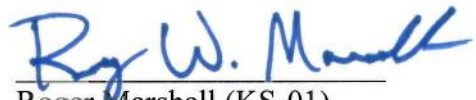
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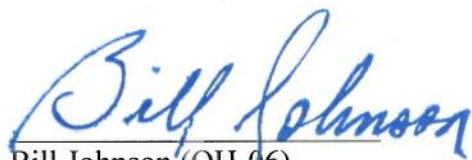
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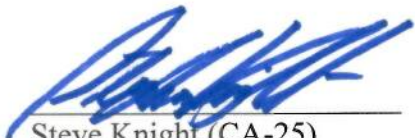
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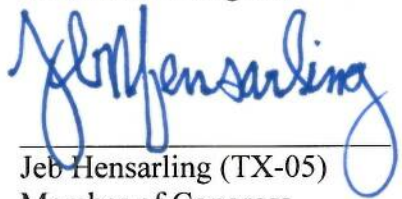
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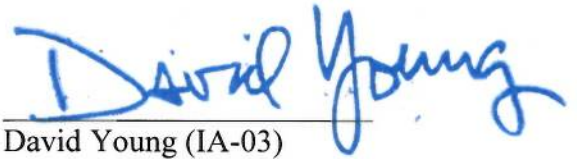
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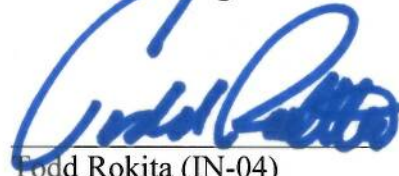
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Diane Black (TN-06)  
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Matt Gaetz (FL-01)  
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John Katko (NY-24)  
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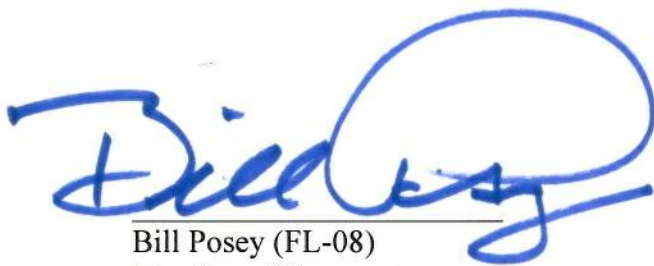
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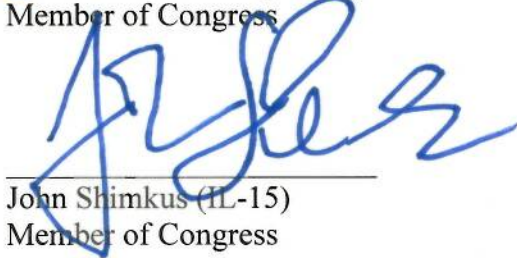
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Mimi Walters (CA-45)  
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Mike Simpson (ID-02)  
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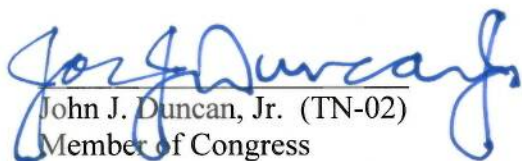


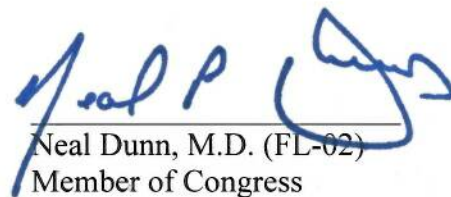
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John J. Duncan, Jr. (TN-02)  
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Debbie Lesko (AZ-08)  
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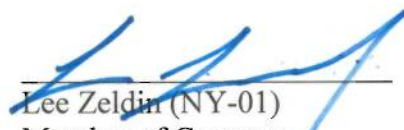
  
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Glenn 'GT' Thompson (PA-05)  
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Virginia Foxx (NC-05)  
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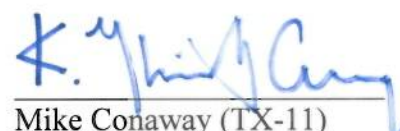
  
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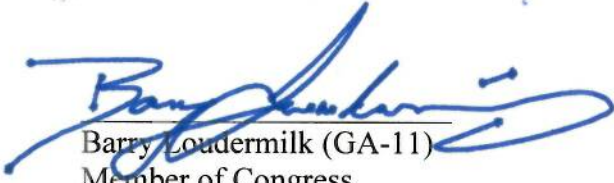
  
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