Improve Seniors’ Access to Low-Cost Medicines in Part D

Cosponsor the Ensuring Access to Lower-Cost Medicines for Seniors Act (H.R. 4913)

The Ensuring Access to Lower-Cost Medicines for Seniors Act (H.R. 4913), introduced by Rep. David McKinley (R-WV) and Rep. Ann Kuster (D-NH), would ensure seniors are able to access and fully benefit from low-cost generics and biosimilars through the Medicare Part D program. Specifically, it would ensure new generics and biosimilars are covered upon launch, provide that generics are placed only on generic tiers with lower cost-sharing and not the higher cost-sharing tiers, and establish a new specialty tier for biosimilars and specialty generics. AAM supports the Ensuring Access to Lower-Cost Medicines for Seniors Act (H.R. 4913).

With this bipartisan legislation, seniors could save as much as $4 billion a year in lower out-of-pocket costs.

- Seniors are shouldering more of the out-of-pocket costs for generic drugs.
- Avalere Health found seniors could save $4 billion a year if all generics are placed on generic tiers.¹

Seniors in Part D are finding it harder to access more affordable generics and biosimilars.

- In recent years, new generics and biosimilars are not being covered under Part D, and patients are unable to access these lower-cost medicines.
- Recent analysis from AAM found roughly 40% of first generics are not covered three years after launch.²
Biosimilars, currently disadvantaged by the rebate trap, would benefit.

- Too often, brand-name pharmaceutical companies increase prices and then leverage rebates to exclude lower-priced generics and biosimilars from Part D coverage. This type of arrangement is known as the rebate trap — where the value of brand-drug rebates is worth more than the savings provided from a generic or biosimilar with a lower net price.
  - As a result, patient access to lower-priced generic or biosimilar medicines can be limited or blocked altogether.
- The FDA has approved 23 biosimilars to date. However, only 9 are available to patients and only one biosimilar has gained significant market uptake.
  - As a result of this lack of uptake, patients and the health care system have lost out on nearly $2.2 billion in savings since 2015.³
- These policies ensure that the Medicare Part D policies are designed to appropriately encourage coverage and utilization of lower-priced generic and biosimilar medicines.

Seniors are increasingly paying more out-of-pocket for the same medicine.

- Compounding the problem, when these more affordable medicines are covered, generics and biosimilars are increasingly being placed on higher cost-sharing tiers.
  - Avalere found 71% of all generics were on the lowest cost-sharing tier in 2011.⁴ Today, only 14% of generics are on Tier 1.
  - As a result of this trend, seniors paid more than $22 billion in additional costs.
We can reverse this trend and deliver immediate savings to seniors at the pharmacy counter.

- Specifically, the Ensuring Access to Lower-Cost Medicines for Seniors Act:
  - Ensures generics and biosimilars are covered upon launch;
  - Places generics on generic tiers only, and not on the higher cost-sharing tiers designed for brand drugs; and,
  - Creates a new specialty tier to ensure patients are able to access generics and biosimilars at a lower cost.
  - These policies ensure that the Medicare Part D policies are designed to appropriately encourage coverage and utilization of lower-priced generic and biosimilar medicines.

Cosponsor the Ensuring Access to Lower-Cost Medicines for Seniors Act (H.R. 4913)!

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References