



April 26, 2021

The Honorable David McKinley  
U.S. House of Representatives  
2239 Rayburn House Office Building  
Washington, D.C. 20515

The Honorable Ann Kuster  
U.S. House of Representatives  
137 Cannon House Office Building  
Washington, D.C. 20515

To Congressman McKinley and Congresswoman Kuster:

Thank you for your leadership in introducing *The Ensuring Access to Lower-Cost Medicines for Seniors Act* (H.R. 2846). *The Ensuring Access to Lower-Cost Medicines for Seniors Act* would ensure America's seniors receiving drug coverage through the Medicare Part D program are able to access and fully benefit from low-cost generics and biosimilars. **On behalf of generic and biosimilar manufacturers, the Association for Accessible Medicines (AAM) is pleased to offer our support and endorsement of *The Ensuring Access to Lower-Cost Medicines for Seniors Act*.**

More than 46 million seniors are currently enrolled in Medicare Part D for their prescription drug coverage.<sup>1</sup> In recent years, however, access to lower-cost generic and biosimilar medicines has been increasingly out of reach. Seniors are paying more out of pocket for the same medicines. In some cases, seniors are denied access altogether. This is a result of perverse incentives in Medicare that encourage the use of high-cost brand-name biologics and other specialty medicines.<sup>2</sup>

FDA approval of the first generic medicine to compete with a brand-name drug reduces prescription drug costs by at least 40%.<sup>3</sup> However, only half of Medicare's Part D plans cover first generics within three years of availability. When generics are covered, seniors are paying more through higher cost-sharing due to formulary placement.<sup>4</sup> Notably, this dynamic is unique to Medicare. In contrast, generic medicines are immediately covered on lower cost-sharing tiers for 90% of patients with private health insurance. We estimate seniors paid more than \$22 billion in additional out-of-pocket costs because of these trends.<sup>5</sup>

*The Ensuring Access to Lower-Cost Medicines for Seniors Act* would dramatically reduce the out-of-pocket costs for seniors by ensuring access to newly approved generics and biosimilars, placing generics on generic drug cost-sharing tiers and creating a new specialty tier for biosimilars and specialty generics. These actions would help restore the original intent of the Medicare Part D program to increase patient access to low-cost medicines and reduce seniors' out-of-pocket costs for prescription drugs. With passage of *The Ensuring Access to Lower-Cost Medicines for Seniors Act*, seniors with Medicare Part D coverage could save more than \$4 billion a year in lower out-of-pocket spending.<sup>6</sup>

We appreciate your work on behalf of patient access to generics and biosimilars. We look forward to working with you to advance this bipartisan legislation into law.

Sincerely,

A handwritten signature in black ink that reads 'Dan Leonard'.

Dan Leonard  
President & CEO

<sup>1</sup> <https://www.kff.org/medicare/fact-sheet/an-overview-of-the-medicare-part-d-prescription-drug-benefit/>

<sup>2</sup> <https://avalere.com/wp-content/uploads/2019/02/20190228-White-Paper-Part-D-Generic-Tiering.pdf>

<sup>3</sup> <https://www.fda.gov/about-fda/center-drug-evaluation-and-research-cder/generic-competition-and-drug-prices>

<sup>4</sup> <https://accessiblemeds.org/sites/default/files/2020-02/AAM-White-Paper-Medicare-Part-D-New-Generics-to-Seniors-web.pdf>

<sup>5</sup> <https://accessiblemeds.org/resources/press-releases/new-study-shows-seniors-paid-nearly-22-billion-extra-out-pocket-costs>

<sup>6</sup> Ibid., Avalere, "Medicare Part D Generic Drug Tiering," February 2019.