

August 2, 2022

Dear Senator:

The Alliance for Retired Americans, a grassroots organization with more than 4.4 million members nationwide, strongly encourages you to support the Inflation Reduction Act, which is pending in the senate. Passage of this legislation would provide tremendous economic and health benefits for America's seniors and our nation as a whole.

Among other items in the package, older Americans will primarily benefit because of the bill's provisions on prescription drug pricing reform, which contain key items the Alliance has advocated for during the past twenty years. A few of the most salient provisions include:

- Requiring the Department of Health and Human Services to negotiate prices for up to 20 of the most expensive drugs in the Part B outpatient program and the Part D drug program beginning in 2023.
- Imposing penalties on drug companies that hike prices faster than inflation and implement a \$2,000 annual out-of-pocket cap for Part D patients, while also limiting Medicare premium increases.
- Making vaccines free to Medicare beneficiaries and extending full subsidies for low-income enrollees from 135 percent of the federal poverty level up to 150 percent, as well as language to prevent brand-name drug makers from blocking generic products from coming to market.
- Language to prevent future HHS secretaries from attempting to elude their responsibility to negotiate lower drug prices on behalf of seniors.

Americans pay the highest prices in the world for prescription drugs, and prices on hundreds of drugs have already increased by 5% in 2022, far outpacing inflation. According to a March 29, 2021 report by the Government Accountability Office (GAO), in 2020 Americans paid two to four times more for 20 brand-named drugs than people in Canada, France and Australia. Seniors, who take the most prescription drugs to stay healthy and often live on a fixed income, bear the brunt of these high prices.

As a result of the terribly high cost of prescription drugs, nearly a quarter of Americans and 20% of seniors report not being able to afford their prescriptions, leading to a situation in which millions of Americans do not take their prescriptions as prescribed by their doctor and are instead not filling them, skipping doses, or taking fewer doses than directed.

The Alliance categorically believes that the reconciliation package pending in the senate is a historic opportunity that would greatly improve the health, wellbeing and financial wellbeing of

older Americans and their families by controlling drastically rising prescription drug prices and expanding access to health care. Moreover, the Congressional Budget Office estimates that allowing Medicare to negotiate drug prices will save the federal government \$288 billion over 10 years, benefiting not only older Americans but the entire nation. For these reasons the Alliance urges your support of this legislation, which, if passed and signed into law, will contribute towards saving lives, improving health care, mitigating inflation and producing substantial financial savings for older Americans and their families.

Sincerely,

A handwritten signature in black ink that reads "Richard J. Fiesta". The signature is written in a cursive, flowing style.

Richard Fiesta
Executive Director

