

Robyn Boerstling

Vice President

Infrastructure, Innovation and Human Resources Policy

January 16, 2018

Centers for Medicare & Medicaid Services
Department of Health and Human Services
Attention: CMS–5522–FC
P.O. Box 8016
Baltimore, MD 21244–8016

RE: *Contract Year 2019 Policy and Technical Changes to the Medicare Advantage, Medicare Cost Plan, Medicare Fee-for-Service, the Medicare Prescription Drug Benefit Programs, and the PACE Program Proposed Rule*

On behalf of the more than 14,000 members of the National Association of Manufacturers (NAM), the largest manufacturing association in the United States representing manufacturers in every industrial sector and in all 50 states, the NAM submits these comments on Contract Year 2019 Policy and Technical Changes to the Medicare Advantage (MA), Medicare Cost Plan, Medicare Fee-for-Service, the Medicare Prescription Drug Benefit Programs (Part D), and the PACE Program Proposed Rule, as well as the Request for Information (RFI) on Manufacturer Rebates and Pharmacy Price Concessions at the Point of Sale.

The National Association of Manufacturers (NAM) is the largest manufacturing association in the United States, representing small and large manufacturers in every industrial sector and in all 50 states. Manufacturing employs more than 12 million men and women, contributes over \$2 trillion to the U.S. economy annually, has the largest economic impact of any major sector and accounts for more than three-quarters of all private-sector research and development in the nation. The NAM is the powerful voice of the manufacturing community and the leading advocate for a policy agenda that helps manufacturers compete in the global economy and create jobs across the United States.

Approximately 98 percent of NAM member companies offer health benefits to maintain a healthy workforce, attract and retain talent, and also because they believe it is the right thing to do for their employees. Manufacturers strongly support proposals to reduce soaring health care costs, improve the efficiency of the current system and enhance the quality of care. Employers and employees increasingly rely on Medicare, Medicare Advantage (MA) and Part D drug benefit programs for health coverage as some employers are sponsors of Part C and D plans for their retirees. The CMS Proposed Rule presents an opportunity to build upon the success of Medicare programs. Manufacturers are supportive of the MA program for its value, efficiencies and innovations in the delivery of care. This comment will focus on the “Any Willing Pharmacy” proposal.

The NAM does not support the new regulatory constraints that CMS is proposing related to its Any Willing Pharmacy policy. Competitive principles are a hallmark of the Part D program and have kept the program affordable for seniors over the last decade. This proposal directly

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conflicts with the Part D spirit and intent by adding new challenges and barriers to the establishment of preferred pharmacy networks.

Overall, preferred pharmacy networks allow for more streamlined management of networks by working to reduce fraud, waste, and abuse, lowering the cost of the benefit for all Medicare beneficiaries and promoting the delivery of high quality pharmacy services. Most beneficiaries today choose to enroll in Part D plans with preferred pharmacies and this proposal would disrupt their coverage without producing a benefit. Higher premiums would likely result because critical efficiencies would be lost.

The Part D program has been distinctly successful in providing beneficiaries with stable premiums and diverse plan options through its market-based competitive model. The NAM appreciates the opportunity to submit these comments on behalf of our members. We believe that the proposed rule on Any Willing Pharmacy would rollback the notable success of the Part D program. We urge reconsideration of this provision of the rule.

Comments Submitted by:

Robyn M. Boerstling, Vice President, Infrastructure, Innovation and Human Resources Policy
National Association of Manufacturers
733 10th Street, NW, Suite 700
Washington, DC 20001