CANCERcare®
Help and Hope

March 1, 2019

Seema Verma, Administrator
Centers for Medicare and Medicaid Services
7500 Security Blvd.
Baltimore, MD 21244

Dear Administrator Verma:

Cancer*Care*, a national organization that provides free, professional support services and financial assistance to anyone affected by cancer, appreciates the opportunity to provide comments on the Advance Notice of Methodological Changes for Calendar Year (CY) 2020 for Medicare Advantage (MA) Capitation Rates, Part C and Part D Payment Policies and 2020 Call Letter.

Cancer patients face countless challenges from understanding their diagnoses and treatment options to navigating complex insurance policies to managing the life altering impacts of their disease. The often life or death nature of cancer treatment depends on access to the right drugs and therapies in a timely manner, and cost can be a determining factor in access.

Current Part D formulary practices that allow generics and brand drugs to be placed on the same tiers limit patients' access to lower cost generic drugs and increase patient out-of-pocket costs. A recent report by Avalere[1] showed a significant decrease in the number of generics on Tier 1 between 2011 and 2015 resulting in a $6.2 billion (or 93 percent) increase in patient out of pocket costs for low-cost generic drugs – despite a one percent increase in the actual price of these drugs. Avalere cited a CMS policy change from the CY2017 Rate Announcement and Call Letter as exacerbating this trend by "allowing plan sponsors to create a 'non-preferred drug' tier that explicitly includes both brand and generic drugs."

Cancer*Care* strongly supports CMS' proposed alternative tiering policy for CY 2020 that would 1) require plans to automatically include generic and biosimilar medicines on generic formulary tiers immediately after launch; (2) ensure that plans place generics on generic tiers and brands on brand formulary tiers to reverse the practice of mixing lower cost generics into brand tiers. CMS should also create a new specialty tier reserved solely for generics and biosimilars, to

[1] Avalere, "Generic Drugs in Medicare Part D, Trends in Tier Structure and Placement Study," May 22, 2018. 2 IQVIA report: "Medicine Use and Spending in the U.S.: A Review of 2017 and Outlook to 2022" April 2018

encourage patient access to and use of more affordable specialty generics and biosimilars and lower the out-of-pocket costs for seniors facing cancer and other serious conditions.

Cancer*Care* is also concerned about the CMS proposal to maintain the specialty tier threshold for CY2020 at the current threshold of $670. Given the growing number of high-cost specialty drugs used in cancer treatment, we believe it is essential that the specialty tier threshold be increased annually at the same rate as the benefit parameters to help constrain the number of drugs eligible for the specialty tier with its higher cost shares. We also support the establishment of a cost-sharing exception for drugs placed on the specialty tier to ensure access for those patients who might be otherwise unable to afford prescribed specialty tier drugs but do not qualify for the low-income subsidy.

We appreciate your consideration of our views and would be happy to answer any questions.

Sincerely,

Patricia Goldsmith
Chief Executive Officer