



COMMITTEE ON DEMOCRATS
ENERGY & COMMERCE
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FOR IMMEDIATE RELEASE

October 21, 2015

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**Statement of Ranking Member Frank Pallone, Jr., submitted for the record
House Energy and Commerce Committee
Subcommittee on Health
Hearing on “Examining the Medicare Part D Medication Therapy Management
Program”**

Thank you, Mr. Chairman, for holding this hearing to examine a program with a lot of promise: Medication Therapy Management or MTM.

Currently, Part D plans are required to provide MTM programs to help eligible patients avoid drug-related problems and achieve desired clinical benefits from their medications. We all agree that appropriate use of medications is a critical piece of the puzzle when patients and doctors are trying to manage their health conditions.

But that’s not all, a good MTM program also has the potential to reduce health care costs for both patients and the federal government. Extensive expert analysis has demonstrated a link between changes in prescription drug use and changes in the use of and spending for medical services. That link is so strong that the Congressional Budget Office now incorporates an “offsetting” effect of prescription drug use on spending for medical services. So basically that means MTM saves money.

Unfortunately, however, in the past, we haven’t maximized the potential of this important program. MedPAC and others have cited low utilization rates of MTM, despite efforts by CMS to increase enrollment and streamline requirements. That is why I am pleased that CMS has announced a new MTM model that will be tested through the innovation center.

From all accounts, this model shows incredible promise to align sponsor and government financial interests and create incentives for investment and innovation in MTM targeting and innovations for our beneficiaries.

We have a while to go to see what we can learn from this new effort: the model is slated to begin on January 1st, 2017 and will be tested for a period of 5 years. However, I think it's safe to say that everyone agrees that this model is a huge and welcome step in the right direction. I am pleased to have CMS here today to share more with us about what they hope to see from this new initiative. I'd also like to especially welcome Tim Gronniger, who used to handle Medicare issues for the Committee, it's nice to see you again.

I also look forward to the perspectives of our second panel. There is a lot of opportunity for this program in Medicare Part D, and I think we can work together to get the most out of MTM services in Part D for our beneficiaries.

Thank you, Mr. Chairman, for holding a hearing on an issue that I know that many members on both sides of the aisle care deeply about, and I yield back.

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