

Opening Statement
Chairwoman Anna G. Eshoo
Subcommittee on Health
Committee on Energy and Commerce
Hearing on “Prescription Drug Coverage in the Medicare Program”
April 30, 2019

Today, this Subcommittee continues its work to lower drug prices for seniors and families.

Last month, the members of this Subcommittee passed six bipartisan bills to make prescription drugs more affordable by increasing market competition.

Today, we are taking a close look at the Medicare program to understand what is leading to high prescription drug costs for the 60 million Americans who get their drugs through Medicare.

To inform our work, we have Dr. Mathews, the executive director of MedPAC, the Medicare Payment Advisory Commission. MedPAC provides valuable nonpartisan advice to Congress on the Medicare program.

We need expert advice – drug prices are skyrocketing and Congress must act.

Before we do, we must understand the Medicare program and its challenges.

Medicare accounts for one out of every three dollars spent on prescription drugs, and drug spending is growing rapidly each year.

Whether a patient gets their drugs at the hospital under the Part B program or the pharmacy counter through the Part D program, costs are rising.

In the Part B program, Medicare drug spending doubled from 2009 to 2017. We spent \$32 billion on Part B drugs in 2017. Part D drug spending has also nearly doubled over the past ten years. We spent \$80 billion in the Part D program in 2017.

These rising costs are putting unsustainable pressure on the Medicare program and American families. In a recent Kaiser Family Foundation poll, 23 percent of seniors say it is difficult to afford their medications.

I know it’s true for my constituents. I’ve heard from people worried when they leave their doctors appointment with a new prescription and no way to pay for it.

America leads the world in innovative health care, but soon, few people will be able to afford cutting-edge care.

This Committee, through our work on the 21st Century Cures Act, promoted the development of novel, breakthrough treatments. But, with the development of these treatments has come increased spending.

Medicare spending on drugs in specialty tiers has grown nearly 1,000 percent over ten years – from \$3.4 billion in 2007 to \$37.1 billion in 2017.

Because Medicare has no limit on out-of-pocket spending, people who rely on specialty drugs are hit especially hard.

One study found needing a single specialty drug could cause people on Medicare to spend anywhere from \$2,000 to \$16,000 out-of-pocket annually.

Every senior deserves high-value, innovative medicine to improve their lives, but rapidly increasing costs affect their ability to get the drugs they need.

We need solutions. Today's hearing will get us another step closer.

Welcome to Dr. Mathews and I look forward to your expert advice on improving the Medicare Part B and D programs.

