

FOR THE PEOPLE

H.R. 3, THE LOWER DRUG COSTS NOW ACT

H.R. 3 DELIVERS ON DEMOCRATS' PROMISE TO LOWER PRESCRIPTION DRUG PRICES AND MAKES HISTORIC INVESTMENTS IN MEDICARE AND PUBLIC HEALTH

American consumers need lower drug prices now, and H.R. 3 takes decisive action to help. H.R. 3 provides the authority, mandate, and tools for the Secretary of Health and Human Services to negotiate to lower the price of drugs and caps annual out-of-pocket costs in Medicare Part D. The savings generated from lowering drug costs in H.R. 3 will be reinvested with the goals of lowering out-of-pocket costs and closing coverage gaps for Medicare beneficiaries and investing critical funding in innovative new treatments and our fight against the opioid crisis.

Empowers Secretary to Negotiate a Better Deal

H.R. 3 establishes a fair price drug negotiation program to reduce the cost of certain high-priced drugs without competition.

- Just like private parties negotiate to get the best possible deal, the Secretary of Health and Human Services would be empowered to negotiate up to 250 drugs per year, drawn from a refilling list of the most costly drugs (price times volume) in the U.S. without competition.
- In the first year alone, drugs representing close to half of all Medicare Part D spending, drugs needed by tens of millions of patients both in private insurance and in Medicare, would be eligible for the negotiation process – including insulin.
- To ensure negotiations produce real price reductions, the legislation creates a maximum price for any negotiated drug with an international price index – called the Average International Market (AIM) price.

Caps Out-of-Pocket Costs on Drug Spending in Medicare

H.R. 3 creates a new, \$2,000 out-of-pocket limit on prescription drug costs, adding an important protection for Medicare beneficiaries.

- With the increasing number of high-cost specialty drugs, many beneficiaries find that just one medicine can cost thousands of dollars in out-of-pocket costs.
- Under current law, Medicare Part D does not have an out-of-pocket maximum.
- According to the [Kaiser Family Foundation](#), one-third of American adults report that they or a family member have not filled a prescription, rationed medication below their prescribed dose, or skipped doses altogether because they could not afford the full cost.

Requires Drug Companies to Pay Rebates if Drug Prices Increase Faster Than Inflation

H.R. 3 reverses years of unfair price hikes above inflation across thousands of drugs in Medicare.

- H.R. 3 incentivizes manufacturers to stop unfair price hikes on Medicare beneficiaries by requiring them to pay a rebate back to Medicare if they increase prices faster than inflation.
- Year after year, drug companies have hiked the costs of drugs well above the rate of inflation, subjecting seniors to soaring prices. According to AARP, the average annual cost of prescription drugs rose nearly 58 percent between 2012 and 2017.

Major New Expansion in Medicare Benefits: Dental Coverage

H.R. 3 adds Medicare Part B comprehensive dental coverage for the first time.

- H.R. 3 adds a new dental benefit to Medicare Part B, and will provide coverage for screening and preventive services, as well as both basic and major treatments. The benefit will also cover one partial or full set of dentures once in a five-year period.
- About half of older adults that reported skipping dental exams cited cost as the reason.
- Because traditional Medicare does not cover dental services, in 2016, a fifth of Medicare beneficiaries who used dental services spent more than \$1,000 out-of-pocket.

Major New Expansion in Medicare Benefits: Vision Coverage

H.R. 3 adds comprehensive Medicare Part B vision coverage for the first time.

- H.R. 3 adds new vision benefits to Medicare Part B that would cover routine eye exams, contact lens fitting services, and glasses or contact lenses once every two years.
- An estimated 20.5 million Medicare beneficiaries have vision problems, yet only 57 percent said they had received an eye examination during the previous year.
- Since traditional Medicare does not cover many vision services, Medicare beneficiaries who had received vision services in the previous year spent, on average, \$715, 60 percent of which was out-of-pocket.

Major New Expansion in Medicare Benefits: Hearing Coverage

H.R. 3 adds comprehensive Medicare Part B hearing benefits for the first time.

- H.R. 3 adds new hearing benefits to Medicare Part B and provides hearing aid coverage for individuals with severe or profound hearing loss.
- The bill would also recognize audiologists as practitioners under Medicare and allow qualified audiologists to provide aural rehabilitation and treatment services.
- An estimated 73.5 million Americans are estimated to have hearing loss by 2060.
- Research has linked hearing loss to falls, dementia, cognitive decline, social isolation, reduced quality of life, and increased Medicare spending by an average of \$2,500 annually.

Expands Access to Programs that Reduce Medicare Out-of-Pocket Costs

H.R. 3 increases the number of seniors who qualify for financial support in order to afford their prescription drugs and other health expenses through improvements to Medicare's Low-Income Subsidy (LIS) Program and Medicare Savings Program (MSP).

- H.R. 3 increases the number of seniors who can qualify for LIS subsidies by raising the income eligibility thresholds and providing assistance with Part D plan premiums and out-of-pocket costs for prescription drugs.
- H.R. 3 increases the income eligibility levels for MSP, which helps beneficiaries with low incomes and adults with disabilities pay for Medicare out-of-pocket costs like coinsurance for a hospital or doctor visit.

Additional Benefit Expansion and Coverage Protections to Lower Out-of-Pocket Costs

H.R. 3 makes a number of additional investments in Medicare that will lower beneficiary out-of-pocket costs.

- H.R. 3 adds guaranteed issue protections for the more than a quarter of Medicare beneficiaries enrolling in supplemental Medigap plans.

- H.R. 3 extends guaranteed issue protections and provides a new one-time enrollment period for those returning to traditional Medicare from Medicare Advantage to prevent insurance companies from denying coverage based on pre-existing conditions or health status.
- H.R. 3 fixes a coverage glitch by which Medicare beneficiaries may be on the hook for unexpected high costs when a polyp is removed during a colorectal cancer screening.
- H.R. 3 expands coverage of treatment supplies for Medicare beneficiaries suffering from lymphedema.

Reauthorization and Expansion of Health Profession Opportunity Grant Program (HPOG)

H.R. 3 builds on the successful Health Profession Opportunity Grant (HPOG) demonstration project to address health worker shortages and help Americans start careers that will lift their families out of poverty.

- In successful federal demonstration projects, HPOG grantees used a “career pathways” approach that bundles together high-quality job training with career coaching and work supports such as child care and transportation to train individuals for health professions that are in-demand or experiencing shortages.
- The HPOG approach has worked for many Americans left behind by traditional workforce programs – low-income parents, people of color, and those with a high school education or less.
- H.R. 3 expands HPOG’s reach from a demonstration project that serves 15,000 individuals in 32 states to a nationwide competitive grant program that will provide opportunity and trained health care workers to every state, the U.S. territories, and Indian communities.

Takes Action to Help Reduce Maternal Mortality and Morbidity Using Home Visiting

H.R. 3 doubles our investment in the Maternal, Infant, and Early Childhood Home Visiting program (MIECHV), a proven tool to reduce maternal mortality and morbidity.

- Home visiting is one of the most effective tools we have to improve maternal health during pregnancy and after birth, but MIECHV only serves about 150,000 of the estimated 18 million expectant and new parents who could benefit from its help.
- H.R. 3 would double the federal investment in home visiting over two years, making it possible for more communities to address the root causes of maternal mortality and morbidity.
- H.R. 3 would quadruple the federal investment in home visiting in Indian communities. Native American women are 4.5 times more likely to die from pregnancy and childbirth complications, but only 23 of 425 eligible tribes receive any federal home visiting support under current law.

Invests in the Nation’s Search for New Cures and Treatments

H.R. 3 bolsters funding for biomedical research at the National Institutes of Health (NIH) investing over \$10 billion with the goal accelerating the search for the next big scientific breakthrough.

- H.R. 3 builds on the momentum of the 21st Century Cures Act by providing 10 years of sustainable funding to the NIH, which is advancing innovation through four historic projects: the Precision Medicine Initiative, the Brain Research through Advancing Innovative Neurotechnologies (BRAIN) Initiative, the Beau Biden Cancer Moonshot, and regenerative medicine.
- H.R. 3 authorizes vital efforts to combat antimicrobial and antibiotic resistance, which the World Health Organization warns is one of the top ten threats to global health and provides additional funds to research thousands of rare diseases without a treatment.

- As a catalyst to get new medical cures from the lab bench to the patient’s bedside, H.R. 3 also creates a new pilot initiative at NIH to assist the development of new cures and treatments currently in the clinical trials phase of the development pipeline.

Provides Investments into FDA to Enhance Drug Development, Review, and Safety

H.R. 3 directs an additional \$2 billion to invest in innovation and scientific expansion and other activities at the Food and Drug Administration (FDA), including:

- \$920 million to modernize FDA’s outdated and siloed technical infrastructure to ensure that the agency will be able to use modern technological advances to improve regulatory oversight of medical products and to protect the public health;
- \$200 million for more widespread adoption of continuous manufacturing techniques for drugs and complex biologics, which will help to improve quality and mitigate drug shortages;
- \$140 million to support the development of individualized gene therapies; and
- \$25 million to help FDA recruit and retain scientific and technical talent and ensure the agency is staffed with expertise needed to keep up with evolving science and innovation.

Provides New Investments in Combatting the Opioid Crisis

H.R. 3 invests \$10 billion of direct funds toward the national opioid epidemic over the next five years. This includes:

- \$7.5 billion in funding for State Opioid Response (SOR) and includes a set aside for counties, cities, and towns. H.R. 3 also requires grantees and subgrantees to provide evidence-based treatment and provide medication-assisted treatment;
- Increasing support for innovation around non-opioid and non-addictive medical products for pain treatment, bolsters efforts to increase the availability and capacity of the behavioral health workforce and provides additional federal resources for States to combat opioid use disorder; and
- \$200 million in funding to support children who have been impacted, including funding for trauma-informed practices in schools and additional investments in the Child Abuse Prevention and Treatment Act (CAPTA).

Enhances Funding for Community Health Centers

H.R. 3 invests \$10 billion of direct funds in Community Health Centers, which serve 29 million Americans in communities across the United States. This includes:

- \$5 billion for capital improvements and construction to expand the footprint of Community Health Centers; and
- \$5 billion in additional funding for Community Health Center grants, allowing them to serve more people, including veterans, patients with substance use disorder, and Americans living in rural areas.