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Wyden Statement at Finance Committee Hearing on Medicare Part B Drug Demonstration Project
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What underlies this debate, in my view, is the fact that the U.S. is in an era of miracle treatments and cures. There are drugs on the market today and close on the horizon that were science fiction not too long ago. The question now is whether Americans will be able to afford them. These treatments threaten to become a major strain on our health care programs, on insurers, and on family budgets across the country.

That was one of the big takeaways from the 18 month investigation Senator Grassley and I conducted on a bipartisan basis into the rollout of one blockbuster drug. You could see in that one case, a drug that treats Hepatitis C, the balancing act this country faces between miracle cures and limited resources to pour into prescribing them. And I believe this will be the pattern for years to come. Absent reforms, this is going to continue – lots of cures, and a big question mark when it comes to access and affordability.

Now, those Hepatitis C drugs are not the focus of this hearing. Today the committee will examine a demonstration project set to begin in Medicare Part B, which is the part of the program that covers outpatient care. Part B pays for a small share of the drugs many seniors are prescribed, and the demonstration would affect the way those drugs are paid for. The demonstration has brought to the forefront some big questions about how the U.S. is going to address the trend of climbing drug prices.

The fact is, seniors are getting pounded by drug costs. And in my view, there is an enormous amount of work that has to be done to guarantee that seniors have affordable access to the medications they need. In Medicare Part B, seniors' pocketbooks are often hit especially hard because their share of drug costs is a co-insurance instead of a co-pay. That means rather than a flat, manageable fee, some seniors are facing a huge burden, stuck paying a percentage of a drug's total cost. I look at that burden the same way I look at the rising out-of-pocket cost for seniors in Medicare Part D. For part D I've proposed an out-of-pocket cap to help protect seniors. And in my view, this committee ought to take a close look at ways to make sure seniors aren't getting clobbered in Part B as well.

There are also important questions to be addressed with respect to this demonstration project. That's why all the Finance Committee Democrats and I sent a letter in April to Andy Slavitt, the Acting Administrator of the Centers for Medicare and Medicaid Services, outlining key concerns we had about the impact this project would have on patients.

At their core, our concerns are about making sure that vulnerable seniors have access to life-saving medications. Protecting access is a big issue in rural areas where seniors today are often facing fewer choices and lower quality of care. And it's extremely important that the project not result in patients being told that they have to go get treatment at the hospital, where treatment is typically more costly and less convenient.

Finally, our letter said that this demonstration project has to sync up with the effort Medicare is making to move toward paying for treatment based on its value, rather than its volume. When you're focusing on the value and the efficiency of care, there's the potential to raise the quality of care for seniors while saving money at the same time.

I hope the committee is able to examine these issues carefully today as it looks at the Medicare Part B demonstration. I want to thank Dr. Conway for joining the committee here today, and I look forward to hearing his testimony.

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