

Crapo Statement at Bipartisan Health Care Policy Markup

November 8, 2023

Washington, D.C.—U.S. Senator Mike Crapo (R-Idaho), Ranking Member of the U.S. Senate Finance Committee, delivered the following remarks at an open executive session to consider the *Better Mental Health Care, Lower-Cost Drugs and Extenders Act*.

As prepared for delivery:

“Thank you, Mr. Chairman.

“Three months ago, this Committee took crucial steps toward improving health care access and affordability for Americans from all walks of life. In advancing the Modernizing and Ensuring PBM Accountability Act, we demonstrated the bipartisan conviction and momentum needed to move good policy from concept to law.

“At that time, the Chairman and I committed to continuing our work on prescription drug benefits. With this markup, we honor that commitment.

“Today, we are taking up commonsense, comprehensive proposals championed by Members across the dais to strengthen our federal health care programs.

“For two decades, Medicare Part D has served as a lifeline for countless seniors and Americans with disabilities, ensuring coverage for a wide range of safe and effective medications.

“However, market dynamics have shifted. Consolidation has constrained competition, compromised plan quality and heightened the potential for conflicts of interest across the supply chain.

“Vertically integrated insurers, merged with pharmacy benefit managers—or ‘PBMs’—now account for more than 80 percent of the Part D market, up from just 30 percent in 2010.

“Four PBMs manage benefits for 90 percent of enrollees. The three largest specialty pharmacies are all PBM affiliates, controlling more than two-thirds of specialty drug dispensing.

“In short, the market-driven dynamism envisioned with Medicare Part D’s enactment has given way to an opaque, highly concentrated and distorted pharmacy benefit landscape. This situation demands oversight and legislative improvements.

“Taxpayers and seniors finance the program. We are the client. We have a responsibility to promote accountability and improvement, particularly for the most vulnerable and high-need Americans.

“Over the past five years, out-of-pocket costs for Medicare seniors have risen at nearly three times the rate for commercially insured consumers. According to a recent report from the Government Accountability Office, Part D beneficiaries pay more than their insurers for 79 of the 100 most highly rebated drugs under the program.

“The warped, distorted rebate system that dominates the program curbs access to lower-cost medications. It instead exposes patients to cost-sharing based on inflated sticker prices. In a perverse form of reverse insurance, discounts on the medications used by the highest-need enrollees cross-subsidize the healthiest seniors, with no direct savings at the pharmacy counter.

“Thanks to the tireless efforts of Senators Cornyn and Tillis, among others, the legislation before us today would chip away at this outdated model, providing relief to patients with chronic conditions and capping cost-sharing for all Part D enrollees at the net price of any given drug, inclusive of rebates.

“Under policies led by Senators Blackburn and Lankford, seniors would also see increased pharmacy choice. Our bipartisan bill shores up the enforcement of pharmacy access protections. It would provide for a much-needed focus on independent community sites in medically underserved areas.

“With these updates, the Committee’s PBM reform legislation would adapt Medicare Part D to address these and other challenges facing today’s seniors.

“Importantly, this comprehensive proposal would also pay for itself, upholding our bipartisan commitment to fiscal responsibility. Senator Cassidy’s continued investment in cost transparency has proven crucial here.

“In fact, our legislation generates net savings, which we have reserved to account for any costs incurred under Senator Lankford’s targeted biosimilar access policy, which we remain committed to advancing.

“Beyond prescription drug access and affordability, the bill before us reaffirms this Committee’s consensus-driven approach to health care improvements on a wide range of fronts.

“Mental health provisions crafted by Senators Cornyn, Thune and Daines would drive care integration, improve telehealth access and help to address workforce strain, based on bipartisan proposals developed last year. Today’s legislation also extends key flexibilities for states to ensure appropriate sites of care for behavioral health needs, thanks to leadership from Senators Thune and Blackburn.

“Under a policy led by Senator Barrasso, frontline health care providers would retain incentives to enter into value-based payment models. Clinicians would also receive

targeted relief from reimbursement cuts triggered by the volatility of the Physician Fee Schedule.

“Another vital policy extension, championed by Senator Grassley, would avert further cuts to doctors across our states, which could otherwise exacerbate ongoing shortages.

“Outlining every provision would take more time than we have here today. Virtually all Members of this Committee have contributed—in meaningful, essential ways—to the patient-focused, fiscally sound and evidence-driven final product.

“Senators across the dais have also produced a range of compelling amendments, creating a robust roadmap for further collaborative work moving forward.

“From enhancing access to groundbreaking early cancer screening technologies to strengthening the Physician Fee Schedule through sustainable, structural reforms, we have endless opportunities for meaningful, Member-driven policymaking in the future.

“Specifically, one such amendment, the Medicare Multi-Cancer Early Detection Screening Coverage Act, which I lead alongside Senators Bennet, Cardin, and Scott, has support from a majority of the Senate – including 19 cosponsors on this Committee – as well as from a majority of House Members, and from more than 700 local and national stakeholder groups, representing all 50 states. Given this rare and broad bipartisan support, I look forward to working together to move this policy through the Committee.

“This markup, along with our successful markup from July, provides an optimistic blueprint for this type of work.

“Today, I look forward to advancing this comprehensive, deficit-cutting, bipartisan legislation—and working to pursue its full Senate passage and enactment.

“Thank you, Mr. Chairman.”