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United States Senate

COMMITTEE ON FINANCE

WASHINGTON, DC 20510-6200

KOLAN DAVIS, STAFF DIRECTOR AND CHIEF COUNSEL
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February 26, 2020

VIA ELECTRONIC TRANSMISSION

Sir Andrew Witty
Chief Executive Officer
Optum

Dear Mr. Witty:

On April 2, 2019, the Senate Finance Committee sent you a letter as part of our investigation into the rising price of insulin and how the actions of pharmacy benefit managers (“PBM”) affect the drug supply chain and the cost borne by patients for these lifesaving medications (“April letter”). As the committee of jurisdiction over Medicare and Medicaid, the Finance Committee seeks to understand how Optum’s practices impact the operation of these federal programs, the cost to taxpayers, and the out-of-pocket costs that patients face.

Our staff has repeatedly communicated our concern with your counsel about Optum’s shortcomings in responding to our request. While Optum has produced thousands of pages of documents, a majority of the company’s production has been irrelevant, already publicly available, or duplicative. For example, Optum has produced more than 4,000 pages of publicly available formulary information guides and internal formulary drug lists that contain virtually no information related to the insulin therapeutic class. Moreover, your company has failed to produce communications between, among, and authored by internal committees and key officials, as requested in Question 4 and its subparts. Such communications are critical to understanding the decisions that ultimately affect the out-of-pocket price patients pay for their insulin.

Optum’s failure to provide responsive documents requested in Question 4 is just one example of your failure to comply with the Finance Committee’s requests. In addition, the company has failed to provide complete responses to Question 2b and 2c, which seek information about your relationships with health plans and programs, and Question 3, which seeks information about Optum’s process for making pricing and rebate determinations.

Optum's unwillingness to provide the documents we requested fits an industry-wide pattern of fighting efforts to shed light on PBMs' practices.¹ Families are struggling to keep up with rising costs, and they do not understand why they continue paying more money for a therapy that has remained largely unchanged for decades. Americans are demanding answers from PBMs and pharmaceutical companies, and we expect your company to begin providing them promptly.

We reiterate our previous requests for information and documents set out in our April letter and strongly encourage you to begin producing the responsive material to the Committee no later than March 11, 2020.

Should you have questions, please contact Joshua Flynn-Brown of Chairman Grassley's Committee staff and Peter Gartrell of Ranking Member Wyden's Committee staff at 202-224-4515.

Sincerely,



Charles E. Grassley
Chairman
Senate Finance Committee



Ron Wyden
Ranking Member
Senate Finance Committee

¹ Robert Langreth et al., *The Secret Drug Pricing System Middlemen Use to Rake in Millions*, Bloomberg (Sept. 11, 2018), available at <https://www.bloomberg.com/graphics/2018-drug-spread-pricing/>; Office Of Inspector Gen., Dep't of Health and Hum. Serv.'s, Concerns with Rebates in the Medicare Part D Program (2011), available at <https://oig.hhs.gov/oei/reports/oei-02-08-00050.pdf>