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Thank you for the opportunity to comment on the draft legislation to create an out-of-pocket maximum in Part D and to redistribute risk in the catastrophic phase of the Part D benefit.

At Johnson & Johnson, we believe good health is the foundation of vibrant lives, thriving communities, and forward progress. That is why for more than 130 years we have aimed to keep people well at every age and every stage of life. Today, as the world's largest and most broadly-based health care company, we are committed to using our reach and size for good. We strive to improve access and affordability, create healthier communities, and put a healthy mind, body and environment within reach of everyone, everywhere.

Johnson & Johnson is a member of the Pharmaceutical Research and Manufacturers' Association (PhRMA), the Biotechnology Innovation Organization (BIO), and the Partnership for Part D Access. We support and endorse their comments on the draft legislation.

We applaud the Committees for proposing this bipartisan approach to create an out-of-pocket maximum. We agree that this policy would provide important financial protection for Medicare beneficiaries and would bring Part D in line with commercial insurance, which generally includes annual out-of-pocket caps. In addition, creating an out-of-pocket maximum would eliminate a cost barrier to patient adherence to prescribed treatment and should result in outcomes improvements.

The draft approach is similar to an approach that Johnson & Johnson has been evaluating in that it pairs establishment of a new out-of-pocket maximum with an increase in plan risk in the catastrophic phase of the Part D benefit, which increases plans' incentives to control costs and provides a budgetary offset. We note that the increased plan risk in catastrophic will require close monitoring to ensure that plan responses are clinically appropriate, non-discriminatory, and do not result in restrictions in patients' access to needed medications. In particular, the Committees should consider creating protections to ensure that patients who are stable on a particular medication are not forced to switch to different medications for non-medical reasons as CMS recently required in extending utilization management tools to Part B drugs in Medicare Advantage.

While we have been evaluating an approach that is similar to the Committees' draft legislation, we are open to alternative approaches to modify the Part D benefit structure in recognition that the coverage gap has been eliminated. In addition, we recommend that the Committees consider addressing additional patient affordability issues, including the significant increase in the catastrophic coverage threshold that will take effect in 2020 and the timing of patient cost sharing before the catastrophic threshold, where many patients face very large costs at the beginning of the year or for their initial prescriptions.

We stand ready to continue working with the Committees to support enactment of a Part D out-of-pocket maximum. Please contact Bob Donnelly (rdonnel4@its.jnj.com) for more information about these comments.