August 20, 2021

The Honorable Xavier Becerra
Secretary, Department of Health and Human Services
Hubert H. Humphrey Building
200 Independence Avenue, S.W.
Washington, DC 20201

Chiquita Brooks-LaSure
Administrator, Centers for Medicare & Medicaid Services
U. S. Department of Health and Human Services
200 Independence Avenue, SW
Washington DC, 2020

Dear Secretary Becerra and Administrator Brooks-LaSure:

As you consider policies to reduce prescription drug spending, we respectfully ask that you enact policies that would increase the uptake of biosimilars, specifically by reducing or eliminating out-of-pocket costs for Medicare Part B patients taking a biosimilar through a zero-co-pay policy. We were pleased to see President Biden's Executive Order on Promoting Competition in the American Economy showed substantial support for biosimilars, directing HHS to increase support for biosimilars and generic drugs.

As diverse stakeholders who believe that more needs to be done to ensure that patients and taxpayers benefit from the cost-saving potential of biosimilars. Alignment of incentives across Medicare programs that encourage the use of biosimilars are integral to the development of the U.S. market, leading to increased biosimilar usage and unlocking immense savings in the U.S. health care system. As you are considering policies to operationalize President Biden's Executive Order, we respectfully ask you to support reducing or eliminating out-of-pocket costs for Medicare Part B patients taking a biosimilar through a zero-co-pay policy.

As you know, biologics, medicines created by living cells, are currently treating some of the most challenging diseases, and while they offer tremendous value to patients, they often have a high cost. Biosimilars are lower-cost alternatives to originator biologics with no clinically meaningful differences in safety or efficacy. These therapies represent an opportunity to improve the health and well-being of millions of Americans and, at the same time, save U.S. taxpayers billions in health care costs.

Currently marketed biosimilars list prices are on average 30 percent less than their respective reference products[1] and have the potential to save the U.S. as much as $250 billion over the next decade[2]— despite this, adoption has been slow. Biosimilars have struggled to gain a foothold in the market while the originator biologics maintain a clear majority. Evidence suggests that a lack of physician, patient, and payer incentives are impeding use of biosimilars, blocking potential savings.

Also, despite Medicare's protections, enrollees can face thousands of dollars in annual out-of-pocket costs for biologics, creating affordability and access barriers for patients in Part B. Nearly 15 percent of Medicare Part B enrollees pay the full 20 percent coinsurance for their reference biologic, while others have supplemental insurance that only covers a portion of the 20 percent.

[1] IQVIA Institute Report. Biosimilars in the United States 2020–2024. March 2020.
[2] Express Scripts 2015 Drug Trend Report. March 2016.

CMS can take action to reduce patient out-of-pocket costs for biosimilars — this could save seniors in Medicare as much as $3.3 billion in out-of-pocket costs and up to $5.2 billion in taxpayer dollars over 10 years with increased use of these lower-cost therapies.

Changes in Medicare payment policies, which would allow patients better access to lower cost biosimilars, are in your control. We implore you to take meaningful action to help millions of Americans struggling to pay their health care bills.

Thank you for your consideration.

Allergy & Asthma Network
Beyond Type 1
Cancer*Care*
Color of Crohn's & Chronic Illness, Inc.
Consumer Action
Crohn’s & Colitis Foundation
DiabetesSisters
Endocrine Society
Healthy Women
International Myeloma Foundation
Lupus Foundation of America
National Consumers League
Patients Rising Now
Rheumatology Nurses Society
Sjögren’s Foundation
ZERO - The End of Prostate Cancer