



July 16, 2018

Department of Health and Human Services
Office of the Secretary
200 Independence Avenue, SW, Room 600E
Washington, D.C. 20201

RE: Blueprint to Lower Drug Prices and Reduce Out-of-Pocket Costs; RIN: 0991-ZA49

Submitted electronically via www.regulations.gov

To Whom It May Concern:

Thank you for your efforts to reduce the high cost of prescription drugs for Americans. I am writing on behalf of the **Gary and Mary West Health Institute**, an applied medical research organization based in San Diego and part of West Health, which also includes the **Gary and Mary West Foundation** in San Diego, as well as the **Gary and Mary West Health Policy Center** in Washington, D.C. Our organizations work together toward a shared mission dedicated to enabling seniors to **successfully age** in place with access to high-quality, affordable health and support services that preserve and protect their dignity, quality of life and independence.

As advocates for seniors in this country, we have long been concerned about the rising cost of medicines. While Medicare Part D provides needed prescription drug coverage for millions of beneficiaries, the out-of-pocket requirements, combined with the ever-rising list prices of drugs, put needed medications out of reach for many older Americans. An effective way to address this escalating crisis is to allow Medicare to directly negotiate its own prices. As the single largest payer for health care in the U.S., Medicare is the gateway to a vast marketplace including 42 million seniors and people with disabilities covered under Part D — who happen to be the highest-volume consumers of pharmaceuticals. Although the President supported this policy on the campaign trail, it was not included in the “American Patients First” blueprint.

Our founder, Gary West, authored an op-ed in *The San Diego Union-Tribune* on June 15, highlighting these concerns. It is enclosed for your review.

We urge this Administration to take bold action and fulfill the President’s campaign promise to empower Medicare to negotiate directly with pharmaceutical manufacturers. Thank you for your attention to this matter.

Sincerely,

Timothy A. Lash
Chief Strategy Officer and Executive Vice President, West Health Institute

The San Diego Union-Tribune

== Opinion ==

Commentary | Seniors will lose out with Trump's drug plan. Here's how.

By **GARY WEST**

June 15, 2018

Every businessperson understands the “art of the deal” has little to do with art and everything to do with leverage.

But as we discovered when President [Donald Trump](#) released his long-promised plan to lower drug prices, the business of politics often trumps real-world business principles. Nowhere in the ironically titled “American Patients First” blueprint is there any requirement for [Medicare](#) to negotiate directly with drug manufacturers. So, despite all of Trump’s rhetoric and promises, pharmaceutical companies and their lobbyists won, and seniors lost. Patients are not the first priority after all.

I was heartened by President Trump’s often-repeated campaign promise to leverage Medicare’s purchasing power to rein in runaway drug costs. From a business perspective, allowing Medicare to seek lower prices — the way the [Veterans Administration](#) does — is a no-brainer. As the single largest payer for health care in the U.S., Medicare is the gateway to a vast marketplace including 42 million seniors and

people with disabilities covered under Part D — who happen to be the highest-volume consumers of pharmaceuticals.

I assume that when Trump built hotels and golf courses, he used leverage to get a better deal. Why isn't he doing it on behalf of Americans? Is it because he's mired in the political swamp he promised so famously to drain?

Perhaps we shouldn't be surprised since President Trump recently replaced the head of Health and Human Services with a former president at Eli Lilly and board director of a major pharmaceutical lobbying group. On the day Trump announced his plan, major pharmaceutical indices rose by almost 2 percent and have either maintained or increased in value since. Why? Because investors realize Trump's plan gives drug companies a "free pass" to continue excessive profiteering from elderly and poor Americans.

I didn't go to a fancy business school like the president did. But I worked hard for 40 years alongside my wife to build a business that employed tens of thousands of Americans. This was a daily, real-world education in profit and loss and supply and demand. After we sold our multibillion-dollar company in 2006, we pledged our entire net worth to making health care affordable and accessible to America's seniors.

I'm speaking out — as a businessman and advocate for the aging — to remind all Americans that when we sell out Medicare beneficiaries to strike a sweetheart deal for the pharmaceutical industry, we're not just cheating our parents and grandparents, we're also short-selling ourselves. Future taxpayers and seniors are likely to inherit a bankrupt Medicare system.

There are too many entrenched interests that like our overpriced, dysfunctional health care system the way it is. Three straight administrations have sold out seniors, beginning with President George W. Bush. He helped pass the 2003 Medicare law establishing Part D, which explicitly prohibited the program from negotiating prices. President Barack Obama sought to change that, however, nothing came of it. Since then, drug prices have risen without restraint, causing many patients to forego treatments they need.

Trump's "blueprint" is a sham for taxpayers and a boon for pharmaceutical stocks and their top executives who make obscene amounts of money. The top 14 pharma CEOs made an average of \$20 million in compensation in 2015!

So, what's it going to take to make things right? An act of Congress. With the White House clearly in the grip of Big Pharma, the House and Senate must repeal the no-negotiation clause and replace it with legislation mandating Medicare to directly negotiate.

It's difficult to imagine the current Congress taking action to do the right thing for seniors — unless they deem it politically expedient. As usual, it's up to us taxpaying voters to make our voices heard now through the mid-terms in November at the polls.

Last year, a survey found 92 percent of Americans support Medicare negotiating drug prices. If that many voters can't convince Congress and the White House to stop putting profits and campaign contributions before patients, then I don't know what can.

It's time to get patients a fair deal on drug prices. Let's require Medicare to negotiate and let's have a plan that really puts "American Patients First."

***West** is founder of West Health, a nonprofit, nonpartisan family of health care research, policy and philanthropic organizations based in San Diego and focused on improving health care for seniors and lowering its costs.*