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PUBLIC SECTOR PLANS URGE INCOMING BIDEN ADMINISTRATION TO PROTECT SENIORS FROM PART D PREMIUM HIKES

Today's Trump Administration decision to finalize a rule to eliminate rebates in Medicare Part D will lead to higher costs for public sector retirees and their families.

Washington, D.C., November 20 - Today, the Public Sector HealthCare Roundtable, a non-profit, non-partisan coalition of public sector purchasers from across the U.S. including states, counties, and municipalities working together to bring a voice to tens of millions of public sector employees, retirees, and their dependents, urged the incoming Biden Administration and the new Congress to overturn today's final rule to eliminate the safe harbor in the federal anti-kickback law for rebates negotiated by pharmacy benefit managers (PBMs) on behalf of Medicare Part D plans. Reversing this damaging decision would protect retiree drug coverage and lower costs for millions of American seniors.

"The Public Sector HealthCare Roundtable is extremely disappointed with the Trump Administration decision to backtrack on their earlier decision to abandon this proposal and protect public sector retirees from Medicare Part D premium hikes," said Andrew MacPherson, Public Sector HealthCare Roundtable Senior Policy Advisor. "Eliminating rebates in Medicare Part D will lead to higher premiums costs for millions of public sector retirees and their families in all 50 states. We strongly urge the Congress and President-Elect Biden to reverse this decision once he takes office."

Over 15 percent of the American workforce is employed by public sector entities, and collectively they spend over \$43 billion annually on health care benefits that serve as a critical component of state compensation programs. The members of the Roundtable have a long-term commitment to maintaining programs that enable their members to obtain quality health care that is affordable and sustainable, and the rapidly increasing prices of prescription drugs in the U.S. impede their ability to accomplish this goal.

Rebates negotiated between drug manufacturers, health plans, and pharmacy benefit managers in Medicare Part D play a crucial role in containing overall costs for Roundtable members. A recent survey of 10 Public Sector HealthCare Roundtable members showed \$6

billion in prescription drug spending for more than 3 million public sector enrollees, with nearly \$1.5 billion in drug rebates, or 22% of total prescription drug spending. Across all 10 plans, on average, eliminating drug rebates could lead to an increase in enrollee premiums by \$430 per person per year.

“Simply put, at a time when drug costs are rising sharply and our nation faces a historic pandemic we cannot saddle our nation’s public sector retirees with increased costs for the medications they rely on. We ask the newly elected Biden Administration to work with Congress to reverse this decision on day one.”

The Public Sector HealthCare Roundtable is a non-partisan, member-directed coalition that exists to give public sector health care purchasers and State and local health plan administrators a voice in the design, development, and implementation of national health care policy. For more information please visit www.publicsectorroundtable.org.