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Issue Brief: Allowing Medicare to Negotiate Drug Prices Will Make Medicines Affordable for More Veterans and Their Families

Prescription drug reform in Congress must include Rx price negotiations

Maine People's Alliance is calling on Congress this Independence Day to support allowing Medicare to negotiate drug prices. This will make prescription medicines more affordable and accessible for everyone, including millions of veterans struggling with service-related health conditions. Veterans often have complex [health care needs](#) that require treatment with prescription medicines, but the high price of prescription drugs limits access for veterans and their families including for veterans struggling with PTSD ([Post-Traumatic Stress Disorder](#)).

There are currently approximately 19 million U.S. veterans, according to the [Department of Veterans Affairs](#), including [114,020 in Maine](#). Gulf War-era veterans make up the [largest share](#) of the national total, surpassing Vietnam-era veterans based on the VA's 2018 [population model estimates](#). A third of veterans in a [recent study](#) say they had trouble paying their bills in their first few years after leaving the military. Among veterans who report PTSD, 61% say they had trouble paying their bills and 42% say they had trouble getting medical care for themselves or their families.

Veterans Commonly Have Service-Related Health Conditions

Veterans often have complex health care needs and conditions related to their military service including [higher rates](#) of traumatic brain injury, mental illnesses like depression and PTSD. Research shows that [one in five](#) U.S. veterans of Iraq and Afghanistan experience depression or PTSD. Climbing [suicide rates](#) among younger veterans attest to the real and lasting impact of military service on mental health and the need for accessible treatment.

Veterans also face occupational hazards like exposure to hazardous chemicals and environmental conditions that impact their health. Many face [service-connected hearing loss](#). A 2015 report showed that 16% to 26% of male veterans and 7% to 13% of female veterans from the Iraq and Afghanistan Wars were diagnosed with hearing problems. Veterans are also more likely to experience [musculoskeletal injuries](#) because of the physical nature of the work that includes marching, running and carrying heavy equipment. Veterans have twice the incidence of osteoarthritis as their civilian counterparts, for instance, because of physical demands, traumatic injuries, and repetitive physical

activities. There is a [documented link](#) between chronic pain from physical impacts of occupation or injury and mental health conditions like PTSD and depression.

Veterans Get Health Coverage From a Variety of Sources and Face Gaps in Care

Veterans receive health coverage from a variety of sources including the [Veterans Health Administration](#) (VHA), Tricare, Medicaid, Medicare and private insurance. About [6% of veterans](#) still remain uninsured despite [broad gains](#) for veterans under the Affordable Care Act between 2013 and 2015. Coverage gains for veterans were more pronounced in states that expanded Medicaid as part of ACA implementation. The [two states](#) with the highest number of uninsured veterans, Texas and Florida, have not implemented Medicaid expansion.

The VHA is the [largest integrated health care system](#) in the United States, providing care at 1,293 health care facilities, including 171 VA Medical Centers and 1,112 outpatient locations. Over 60% of veterans are [eligible](#) for healthcare through the VHA but fewer than half enroll. One reason is that many veterans have [other sources](#) of coverage including private insurance. Veterans who depend on private insurance or Medicare Part D coverage are subject to the same problems with prescription drug affordability as the rest of us even though their health care needs may be greater than those of the general population. About [40% of people](#) with private insurance still can't afford prescriptions, including millions of veterans who need treatment for the common service-related health issues described above.

The price of prescription medicines is increasing faster than any other medical good or service, largely because drug corporations have monopoly power to set and keep prices high. Drug corporations charge patients in the United States [three times](#) as much as people in other countries for the same drugs. Already in 2021, drug corporations have [raised prices](#) on over 830 drugs by an average of 4.5%. More price increases are expected in July since drug corporations typically increase prices twice a year. Congressional action to lower drug prices would benefit taxpayers, businesses, families and veterans, who largely get their health care from the same sources as the rest of us.

Dick Bissell, of Bangor, Maine, was a field hospital medic in the Dominican Republic during the Vietnam War era. He later worked as a nurse at Eastern Maine Medical Center. Now Bissell is retired, and [like an estimated 119,000 Mainers](#), he has diabetes. His doctor prescribed a new medication, Tradjenta, he was shocked to find out that, even with his retiree insurance from EMMC, it cost \$300.

Diabetes medication is an especially egregious example of how high drug prices hurt Americans. [Research](#) shows, for instance, that one in four diabetics skip insulin doses because they can't afford the medicine. There are dangerous [health risks](#) to skipping medicines and [negative impacts](#) on health outcomes that can even include death as we've seen in several cases of insulin rationing.

Congress Must Lower Drug Prices to Make Medicines More Affordable and Improve Health

Nearly [9 out of 10 voters](#) named lowering prescription drug prices as a top health care issue leading into the 2020 election. Current federal programs like the VHA and Medicaid provide guidance on how Congress can lower prescription drug prices for everyone and increase accessibility to

affordable medicines, particularly by negotiating prices directly with drugmakers, which these programs do but which are prohibited in Medicare Part D.

- A comparison by the nonpartisan [Congressional Budget Office](#) (CBO) of prices for brand-name drugs in government programs and agencies including Veterans, Department of Defense, Medicaid, and Medicare Part D found that Medicare Part D's prices were significantly higher than the other programs where direct purchasing and negotiations were used.
- A recent [Government Accountability Office](#) (GAO) report found that the Department of Veterans Affairs (VA) paid, on average, 54% less per unit for a sample of 399 brand-name and generic prescription drugs in 2017 as did Medicare Part D, even after accounting for applicable rebates and price concessions in the Part D program.

[Experts](#) affirm that being unable to afford prescriptions is a key reason why people skip doses or forgo medicine rather than comply with doctors' orders to take it. For people who can't afford medicines, there is no choice until Congress takes action to ensure increased affordability and access.

A 2020 study in [Health Affairs](#) shows that veterans who get their health care through the VHA, including low-cost prescription medicines, are more likely to take their medicines as directed because of the improved access. Researchers concluded that although veterans with VHA health coverage were older and in worse health and had lower incomes than those with other kinds of coverage, VHA patients had lower rates of cost-related medication nonadherence: 6.1% versus 10.9% for non-VHA patients.

Alicia Barnes, of Oakland, Maine, joined the Navy in 1998, and in 2003 her ship was deployed to the Persian Gulf as part of Operation Iraqi Freedom. She left the military in 2005, and years later, in 2015, she began to struggle from extreme anxiety. A friend brought her to the VA Medical Center in Augusta, and she discovered she had Post-Traumatic Stress Disorder, along with tinnitus.

Because Barnes is classified as having a disability by the VHA, her prescriptions, along with her vitamins and Breathe Right strips, are 100% covered at no cost to her.

Congress Should Implement Negotiations in Medicare and Extend Discounted Prices to Everyone

[H.R. 3, the Lower Drug Costs Now Act](#), and the newly-released [Senate Finance Committee principles](#) for prescription drug reform both include proposals for Medicare negotiations that would lower prices and then extend those discounts beyond Part D enrollees so that people with private insurance or no insurance can also benefit from more affordable medicines. Maine House Representatives Chellie Pingree and Jared Golden, both Democrats, voted [in support](#) of HR 3 in the 116th Congress, but neither has yet co-sponsored the current version.

Negotiating drug prices in Medicare is a popular and [bipartisan](#) proposal that would save patients and taxpayers money and increase access to medicines that people need, including many veterans.

Sen. Angus King, an independent, has [supported](#) price negotiations. Republican Sen. Susan Collins has not previously supported negotiations.

A new study by West Health shows that under H.R. 3, employers could save \$195 billion on health care spending, while employees would save \$61 billion in lower premiums and out-of-pocket costs. Costs in the ACA market could fall by \$58 billion, including \$34 billion in premiums and patient cost-sharing. Overall, the CBO predicts that the bill would save taxpayers nearly half a trillion dollars that could be invested to improve benefits and services in other areas of Medicare.

Although the pharmaceutical industry is objecting to these proposals with false claims about dangers to innovation, a [June survey](#) shows that 8 in 10 Americans still prefer major government action to lower prices notwithstanding the industry's fear mongering over innovation.

Americans Have Waiting Long Enough for Fair and Affordable Drug Prices--It's Time for Action

After decades of lip service from both parties, Americans can't wait anymore for Congressional action to lower drug prices and ensure that medicines are affordable for everyone who needs them. There are ample models thanks to the VHA, Department of Defense, and Medicaid to demonstrate that negotiating prices directly with drug corporations and putting in place rules to ensure consumer protections against drug corporations' monopoly pricing of medicines works.

The prescription drug industry has, by far, the [highest profit margins](#) of any sector in the nation. Continuing to put those profits ahead of patients' health, particularly the veterans who have sacrificed and contributed in countless ways to protect the security and wellbeing of the nation, is fundamentally wrong.

Jennie Pirkl, organizing director at Maine People's Alliance, says: "We know that Mainers overwhelmingly support health care equity, and the time has come for our federal lawmakers to do the same, and put their money where their mouth is when it comes to supporting the people who put their lives and health at risk to protect all of us. Pharmaceutical companies profit off the backs of our veterans. That's just wrong, and we cannot allow it to continue."

It's time for Congress to honor the peace, freedom and prosperity that veterans have fought for across generations by taking action to ensure everyone in America has access to affordable healthcare and medicines they need to take care of themselves and their families.

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