

Congress of the United States
Washington, DC 20515

April 16, 2018

The Honorable James Mattis
Secretary of Defense
Department of Defense
1000 Defense Pentagon
Washington, DC 20301

Dear Secretary Mattis:

We are writing to urge you to establish a working group to examine how the Department of Defense (Department) can improve choice and access to pharmacist care within the prescription drug benefit of the TRICARE program while reducing overall costs to the government.

Currently, beneficiaries taking brand-name maintenance medications must obtain them through mail order or at a military treatment facility (MTF). Obtaining these medications on a regular basis from their retail pharmacy is no longer an option, even if doing so best meets the beneficiary's health care needs. We believe a working group comprised of key stakeholders from the Defense Health Agency, pharmaceutical manufacturers, retail pharmacy, and representing beneficiary interests can find common-sense solutions to restore beneficiary access to community pharmacy in such a way that generates savings. One way this may be accomplished is through modification of the prescription drug acquisition process for certain medications, as deemed appropriate by the Secretary.

The Department presently pays more for acquiring brand name prescription medications when they are dispensed at the pharmacy as opposed to when they are dispensed through mail order and MTFs. The disparity in acquisition costs for medications has led to the implementation of policies designed to direct, or force, beneficiaries to mail or MTFs. These include near annual increases in beneficiary copay amounts for the retail setting^[1] and the elimination of beneficiary access to retail pharmacies for prescription brand name maintenance medications.^[2] While appearing to reduce program costs, these changes have shifted costs to other federal programs such as Medicare, reduced access points for TRICARE beneficiaries, and jeopardized the health of TRICARE beneficiaries through reduced medication adherence.^[3] Copay increases and forcing beneficiaries into certain settings do not address the underlying problem caused by the disparity in acquisition costs.

¹ National Defense Authorization Act for Fiscal Year 2018 – Sec. 702: Modifications of Cost Sharing Requirements for the TRICARE Pharmacy Benefits Program and Treatment of Certain Pharmaceutical Agents.

² National Defense Authorization Act for Fiscal Year 2015 – Sec. 702: Modifications of Cost-Sharing and Other Requirements for the TRICARE Pharmacy Benefits Program.

³ Congressional Budget Office. Cost Estimate: S. 1376 National Defense Authorization Act for Fiscal Year 2016. June 3, 2015 (<https://www.cbo.gov/sites/default/files/114th-congress-2015-2016/costestimate/s13761.pdf>)

Eliminating the current purchasing cost disparity would eliminate the need for the Department to steer beneficiaries to either an MTF or mail order. This would lead to additional choice for beneficiaries, improved access to pharmacist care, added program stability with less pressure for continued increases in cost sharing/copays, and a strengthening of local economies though increased access to community businesses.

In addition to improving access for beneficiaries, acquisition cost parity would result in cost savings to the TRICARE program through reduced acquisition and administrative costs. Currently, it is estimated the Department pays a much higher dispensing fee for drugs dispensed in mail order.

To implement this change, and consistent with the commitment to several members of the United States Senate by Anthony Kurta, Acting Under Secretary of Defense for Personnel and Readiness, we request that you convene, as soon as possible, a working group that includes key stakeholders from the Defense Health Agency, pharmaceutical manufacturers, retail pharmacy and military beneficiaries. It is our hope that such a working group would make important determinations to inform future policy that: (1) produces meaningful data on government cost-saving opportunities; and (2) maximizes the point-of-service options for TRICARE beneficiaries and their families.

We look forward to working with you to establish this group to examine how the Department can improve choice and access to pharmacist care within the prescription drug benefit of the TRICARE program while reducing government costs.

Sincerely,



Mike Coffman
Member of Congress



Robert A. Brady
Member of Congress



Walter B. Jones
Member of Congress



Doug Lamborn
Member of Congress



John Ratcliffe
Member of Congress



Doug LaMalfa
Member of Congress



Cathy McMorris Rodgers
Member of Congress



Bob Gibbs
Member of Congress



Andy Biggs
Member of Congress



Ted S. Yoho DVM
Member of Congress



Dave Loebsack
Member of Congress



Scott Tipton
Member of Congress



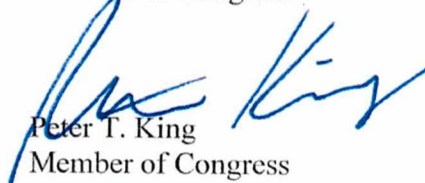
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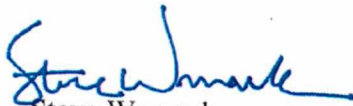
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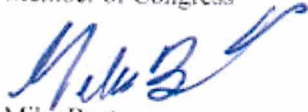
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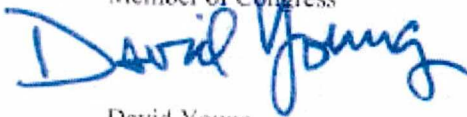
Mike Bost
Member of Congress



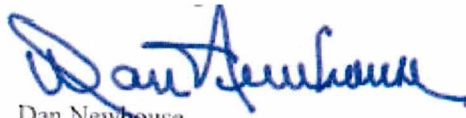
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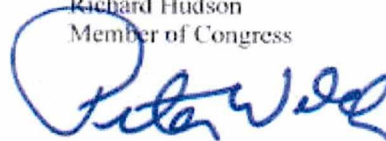
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Cc: Mr. Robert Wilkie; Ms. Stephanie Barna