

December 16, 2018

CMS

Regarding CMS-4187-P

Via: <http://www.regulations.gov>

Dear Administrator Verma:

We respectfully submit for public comment our encouragement for CMS to formally adopt proposed rules regarding Direct-to-Consumer (DTC) drug advertising as outlined in CMS notice 4187-P.

As proposed, the rule would “revise the Federal Health Insurance Programs for the Aged and Disabled by amending the Medicare Parts A, B, C and D programs, as well as the Medicaid program, to require direct-to-consumer (DTC) television advertisements of prescription drugs and biological products for which payment is available through or under Medicare or Medicaid to include the Wholesale Acquisition Cost (WAC, or “list price”) of that drug or biological product.”

The Alliance, a cooperative of employers moving health care forward by controlling costs, improving quality and engaging individuals in their health, is pleased with the administration’s decision to use the purchasing power of the federal government to create incentives for drug manufacturers to include list prices in direct-to-consumer advertising. We join in the perspective shared by America’s Health Insurance Plans, whose CEO, Matt Eyles, has noted: “There are three ways to meaningfully reduce drug prices: increase competition, increase visibility into manufacturer pricing practices and focus on true value for patients and consumers... Giving consumers pricing information in drug advertising will empower them to have more informed conversations with their doctor about the best approach to improve their health and manage their medical conditions.”

Specifically, we believe that requiring transparency in DTC advertising is an important step towards arming patients with powerful information to help them make better informed decisions for the following reasons.

Consumers need information to make smart choices about their health care.

Although consumers are unlikely to pay 100 percent of any drug’s list price, making this information available will raise consumer awareness of the cost of medications, especially those that are being heavily promoted by their manufacturers. Currently, only after the consumer sees the ad, thinks about the ad, visits with their physician or other care provider and arrives at the pharmacy do they know the price they will pay for that drug. By requiring cost transparency in advertising, this process is reversed.

The propose rule will promote discussions about best patient care options between care providers and patients. The Alliance is committed to ensuring high quality, cost-effective medical care that meets consumers' needs while minimizing and reducing waste and unnecessary services. DTC advertising for prescription drugs and medical devices places a 3rd party (advertisers) in the middle of the doctor-patient relationship, encouraging patients to self-diagnose, which can lead to erroneous conclusions and inappropriate demand for advertised prescription drugs.

According to AMA Journal of Ethics, doctors have reported that patients who bring information from advertisements to office visits result in longer and less efficient visits and erode patient confidence in their physician's advice. Physicians have reported filling 69 percent of patients' requests for prescriptions that were related in some way to DTC advertising even when the physician considered the patient's request to be inappropriate.

Television, online and print ads promise improved health outcomes. These claims always need to be filtered through patients' own health status, in consultation with medical providers and pharmacists. Advertising the cost of the drug to counterbalance the promotion of that product's most favorable outcomes will make for a better informed patient and a more productive physician consultation.

By having relative pricing information available, consumers will be prompted to take cost factors into account when consulting with care providers: Is this medication worth the extra money each month? Is there a generic available? Is there another alternative, such as diet and exercise, physical therapy or other strategy that can achieve these same outcomes?

Further transparency regarding health care prices and costs is needed. Requiring DTC television advertisements to include list prices is a step in the right direction. It does still fall short of providing consumers with the information they need: their out-of-pocket cost and the total cost to their health plan. Nevertheless, we believe this public disclosure will serve the cause of creating badly needed public accountability for pharmaceutical and biologic manufacturers.

Thank you for considering our comments as you finalize rules regarding DTC advertising and thank you for taking such a bold step towards arming consumers with this powerful information to help them make better informed health care decisions.

Thank you,



Cheryl DeMars
President and CEO
The Alliance