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Matthew Eyles
President & Chief Executive Officer

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The Honorable Anna G. Eshoo
Chair
Health Subcommittee
House Committee on Energy & Commerce
272 Cannon House Office Building
Washington, DC 20515

The Honorable Brett Guthrie
Ranking Member
Health Subcommittee
House Committee on Energy & Commerce
2434 Rayburn House Office Building
Washington, DC 20515

Vaccinations are an important and cost-effective way to prevent disease and to avoid serious and often life-threatening complications caused by the interaction between avoidable illness and preexisting health conditions. Vaccinations also play a critical role in stemming the spread of diseases, protecting the health of both individuals and communities. The COVID-19 pandemic has demonstrated the critical role that vaccines and vaccination efforts play in safeguarding individuals and their communities and improving public health.

AHIP appreciates the Chair and Ranking Member for recognizing the importance of vaccines. The Centers for Disease Control and Prevention (CDC) have published data showing both the health benefits and economic value of vaccinations.¹ The CDC estimates that, because of vaccines, 21 million hospitalizations and 732,000 deaths will be avoided among children born between 1994-2013. Additionally, the CDC estimates that vaccinations will save the nation nearly \$295 billion in direct costs and \$1.38 trillion in total costs as a result of the vaccines provided to children born over the same 20-year period.

Health insurance providers have long worked actively with physicians, nurses, pharmacists and public health officials to increase vaccination rates in children and adults to promote health and help stop preventable disease outbreaks. Health insurance providers, have since the inception of the COVID emergency, worked hard to educate parents about the need to keep their children's immunizations current and, as COVID vaccines became available to engage, educate and break down social barriers to assure that everyone who wants access to a COVID vaccine can obtain one.

Despite abundant evidence that vaccinations work and are critically important to the health and safety of our communities, barriers persist. We welcome the opportunity to share our thoughts with the committee as you explore this important issue.

The Success of the Part D Program in Lowering Costs and Ensuring Access

More than 48 million seniors, or 77% of all Medicare beneficiaries, are enrolled in plans that provide Part D critical benefits. Part D plans help America's seniors afford their prescription

¹ Report shows 20-year US immunization program spares millions of children from diseases, Centers for Disease Control and Prevention, April 2014. <https://www.cdc.gov/media/releases/2014/p0424-immunization-program.html>

drugs and manage their long-term health. The health insurance providers who make up AHIP's membership deliver those Part D plans as well as Medicare Advantage (MA) plans that integrate Part D coverage for more than 24 million additional seniors.

Despite exorbitant launch prices for new drugs and outrageous drug price increases for old medicines, premiums under Part D have remained stable for many years due to efforts of Part D plans to negotiate lower costs using tested and effective cost management and negotiation tools, when available. The Centers for Medicare and Medicaid Services have found that should Congress or the Administration limit these free-market tools in Part D Medicare beneficiaries will see higher premiums, the Medicare program will get more expensive, and drug manufacturers will collect the profits.²

In 2020, it was estimated that 28% of Part D enrollees were low-income enrollees or over 13 million people.³ Enrollees who have low incomes receive cost-sharing assistance through the low-income subsidy (LIS) program. Of those enrollees, it is expected that 13.3 million were eligible for full subsidies with no deductible, and they paid a maximum of \$3.60 for generic or preferred multiple source brand drugs and \$8.95 for other brand drugs while having no cost-sharing liability after meeting the annual out-of-pocket threshold in 2020.⁴

Eliminating Cost Sharing for Vaccines Can Subject Patients and Taxpayers to Price Gouging

Medicare Part D plans generally cover commercially available vaccines that are not covered by Medicare Part B. H.R. 1978, the Protecting Seniors Through Immunization Act, would eliminate all cost sharing in the Medicare Part D program for adult vaccines recommended by the CDC's Advisory Committee on Immunization Practices.

Like all Americans, AHIP and our members are thankful for drug companies' role in developing vaccines both before and amid the pandemic. We also strongly support steps that could further incentivize Part D enrollees to obtain recommended vaccines. However, lawmakers cannot ignore the pharmaceutical industry's harmful pricing practices, which have continued during the pandemic. We have serious concerns that H.R. 1978 includes no mechanism to protect patients from unilateral drug price increases. Drug manufacturers have sole control over drug pricing and increasing list prices. The Protecting Seniors Through Immunization Act, as it is currently written, would embolden vaccine manufacturers to raise prices without limits. This will increase Part D premiums and other costs for all seniors, putting access to other lifesaving treatments at risk. It could also increase costs to the Medicare program.

A Better Approach to Improving Adult Immunization Rates

² <https://aspe.hhs.gov/system/files/pdf/260591/OACTProposedSafeHarborRegulationImpacts.pdf>

³ 2018 Annual Report of the Boards of Trustees of the Federal Hospital Insurance and Federal Supplementary Medical Insurance Trust Funds. <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/ReportsTrustFunds/downloads/tr2018.pdf>

⁴ Ibid

In 2015, AHIP facilitated the “National Vaccine Roundtable” which brought together 40 key vaccination stakeholders to identify barriers to increasing adult immunization rates. The roundtable was AHIP’s contribution to the Department of Health and Human Services’ National Vaccine Program Office’s development of a national strategic plan that focuses on improving protection against vaccine-preventable diseases among adults.⁵ The National Vaccine Plan is an opportunity for health insurance providers and policymakers to work together to ensure that Americans have access to essential vaccines, and to promote effective and optimal use.

Based on these stakeholder perspectives, the subsequent report⁶ after the roundtable recommended action steps to improve vaccine rates in the following areas:

1. Facilitating integrated, team-based vaccine care;
2. Leveraging health information technology to encourage patients to get vaccinated;
3. Raising awareness with health care professional and consumers;
4. Measuring and tracking progress in improving vaccine rates and reducing disparities among racial and ethnic groups.

More recently in 2019, AHIP participated in HHS’ Request for Information for Developing the 2020 National Vaccine Plan.⁷ The goals of access to vaccines and the promotion of proper use were reflected in our comments, which proposed using metrics to identify opportunities for improvement in vaccinations and to track progress; implementing a significant public education campaign to promote vaccines and to combat mis- and disinformation, a challenge that has been especially relevant during the COVID-19 pandemic; and reducing disparities. It is AHIP’s hope that Congress keeps these recommendations in mind as it deliberates any action towards making sustainable progress in increasing vaccination rates.

There are stark disparities in immunization rates, with African American, Hispanic, and Asian adults experiencing lower rates for all recommended vaccines. Given the potential benefit of using vaccines to prevent disease, targeted programs based on reliable data and evidence for what works most effectively improve vaccine rates for the most vulnerable populations should be a priority – both through the duration of the pandemic and beyond.

Given the stark disparities in immunization rates for other conditions, on March 3, in collaboration with the Administration, America’s Health Insurance Plans (AHIP) and the Blue Cross Blue Shield Association (BCBSA) announced a major initiative to promote vaccine equity and remove barriers to COVID-19 vaccinations – the Vaccine Community Connectors (VCC) program. At its inception, the VCC program was focused on uptake of COVID-19 vaccination among seniors aged 65+ in the most at-risk, socially vulnerable and underserved communities as measured by the Center for Disease Control’s Social Vulnerability Index.⁸ More recently, in partnership with the Association of Community Affiliated Plans (ACAP), the VCC has been expanded to a broader population and individuals who rely on Medicaid. With COVID-19

⁵ <https://www.hhs.gov/vaccines/national-vaccine-plan/index.html>

⁶ https://www.ahip.org/wp-content/uploads/2016/04/Vaccine_Report_8.26.15-1.pdf

⁷ <https://www.federalregister.gov/documents/2019/09/24/2019-20415/request-for-information-rfi-from-non-federal-stakeholders-developing-the-2020-national-vaccine-plan>

⁸ [CDC/ATSDR's Social Vulnerability Index \(SVI\)](#)

vaccine supplies now plentiful and exceeding demand, the initiative could be further leveraged to help achieve the Administration's goal of getting 70% of adults vaccinated with at least one dose by July 4.

Conclusion

As the association representing health insurance providers who cover millions of Americans eligible for Medicare, we thank the Subcommittee for highlighting the importance that vaccines serve in overall health. AHIP and our members look forward to working with you and your fellow committee members on policies that improve immunization rates while not sacrificing the cost protections that our beneficiaries expect from our MA and standalone Part D plans.

Sincerely,

A handwritten signature in cursive script that reads "Matthew Eyles".

Matthew Eyles
President & Chief Executive Office

