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August 9, 2016

VIA ELECTRONIC SUBMISSION

Andrew Slavitt
Acting Administrator
Centers for Medicare & Medicaid Services
7500 Security Boulevard
Baltimore, MD 21244

Dear Acting Administrator Slavitt:

Access and affordability to prescription drugs has been a concern of mine for many years. That is why I was concerned to read the attached June 2016 letter from the Centers for Medicare and Medicaid Services (CMS), addressed to a Medicare beneficiary in Iowa. The letter states mail order companies can't charge more for diabetes testing supplies than any unmet deductible and 20% coinsurance, adding "[l]ocal stores can charge you more [...]"

However, CMS' website states:

"You'll pay the same amount for diabetes testing supplies whether you buy them at the store or have them delivered to your home. National mail-order contract suppliers can't charge you more than any unmet Part B deductible and 20% coinsurance. *Local stores also can't charge more than any unmet Part B deductible and 20% coinsurance if they accept Medicare assignment.* Local stores that don't accept assignment may charge you more. If you get your supplies from a local store, check with the store to find out what your payment will be."

The italicized sentence above is not included in the attached letter, which substantially alters the meaning of the rules that apply to local stores. This can have a detrimental effect on local supply stores. Did CMS consider that by truncating this information, concerns about steerage might be raised? If not, why not?

The letter goes on to discuss the alleged benefits of using a national mail-order contract supplier. The letter states,

“national mail-order contract suppliers must: make the same items and services available to people without Medicare; make sure you get a particular brand of diabetes testing supplies when a doctor or other health care provider prescribes a particular brand to avoid an adverse medical outcome; never influence or try to convince you to switch your current glucose monitor and testing supplies to another brand.”

This seems to imply there are two standards, one for national mail-order suppliers and one for the brick and mortar shops that also provide these products to Medicare beneficiaries. Please clarify whether CMS intends for two standards to apply, and if that is the case, please explain why two standards are necessary.

Please respond to my office by August 30, 2016. For additional questions, you may reach my staff, Karen Summar @ karen_summar@grassley.senate.gov.

Sincerely,



Chuck Grassley
Chairman
Senate Judiciary Committee