

Congress of the United States
Washington, DC 20515

July 15, 2016

The Honorable Mac Thornberry
Chairman
House Committee on Armed Services
2216 Rayburn House Office Building
Washington, DC 20515

The Honorable Adam Smith
Ranking Member
House Committee on Armed Services
2216 Rayburn House Office Building
Washington, DC 20515

The Honorable John McCain
Chairman
Senate Committee on Armed Services
Russell Senate Building, Room 228
Washington, DC 20510

The Honorable Jack Reed
Ranking Member
Senate Committee on Armed Services
Russell Senate Building, Room 228
Washington, DC 20510

Dear Chairman Thornberry, Chairman McCain, Ranking Member Smith, and Ranking Member Reed:

As the conferees begin discussion of the FY2017 National Defense Authorization Act (NDAA), we ask your support for a provision contained in the House version of the legislation that would create a "Pilot Program for Prescription Drug Acquisition Cost Parity in the TRICARE Pharmacy Benefits Program."

TRICARE beneficiaries have seen a number of changes to their prescription drug plan over the last few years, including brand name maintenance medications being dispensed via mail order or at Military Treatment Facilities (MTFs) and increased prescription copayments. These changes have not only impacted beneficiary access and health, but have also resulted in shifting health care costs to the Medicare program.

The pilot program included in the House FY2017 NDAA is a sensible approach to maintaining beneficiary choice and access while at the same time lowering Department of Defense (DoD) costs. Currently, the DoD is able to purchase medications that are dispensed through mail order and Military Treatment Facilities (MTFs) at a much lower cost than for drugs dispensed in the retail setting, in some cases as much as 32 percent lower. The pilot program would allow the DoD to purchase prescription drugs dispensed in the retail setting at the lowest rate available to the Department, thereby eliminating those cost differences. The pilot would also produce savings by lowering the costs paid in administration fees by the DoD for prescription drugs. It is believed the DoD currently pays three times as much in per prescription administrative fees to dispense prescriptions through mail than the retail setting. Allowing patients to maintain treatment from their retail pharmacy, including small business pharmacies, will result in lower

overall administrative fees, preserve beneficiary choice and allow access to valuable in-person consultations with their pharmacists.

We therefore urge the conferees to support the House position on the "Pilot Program for Prescription Drug Acquisition Cost Parity in the TRICARE Pharmacy Benefits Program". This common sense approach will produce savings for the government and protect the health of TRICARE beneficiaries.

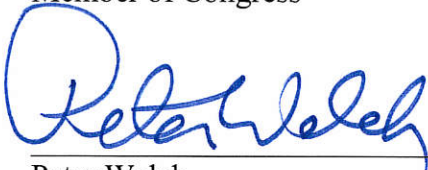
Sincerely,



Earl L. "Buddy" Carter
Member of Congress



Dave Loebsack
Member of Congress



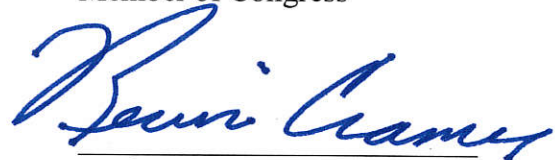
Peter Welch
Member of Congress



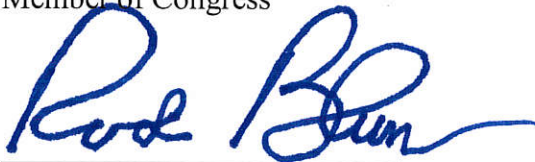
Chris Stewart
Member of Congress



Austin Scott
Member of Congress



Kevin Cramer
Member of Congress



Rod Blum
Member of Congress



Derek Kilmer
Member of Congress



Mike Bost
Member of Congress



Lou Barletta
Member of Congress



Walter B. Jones
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David McKinley
Member of Congress

Blake Farenthold

Blake Farenthold
Member of Congress

David Young

David Young
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Richard Hanna

Richard Hanna
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Martha Roby

Martha Roby
Member of Congress

Tom Marino

Tom Marino
Member of Congress

Richard Hudson

Richard Hudson
Member of Congress

Robert Brady

Robert Brady
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Ann Kirkpatrick

Ann Kirkpatrick
Member of Congress

Peter T. King

Peter T. King
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Alex X. Mooney

Alex X. Mooney
Member of Congress

Bob Gibbs

Bob Gibbs
Member of Congress

Doug Collins

Doug Collins
Member of Congress

Ted S. Yoho

Ted S. Yoho
Member of Congress

Tim Ryan

Tim Ryan
Member of Congress

Dan Newhouse

Dan Newhouse
Member of Congress

Scott Perry

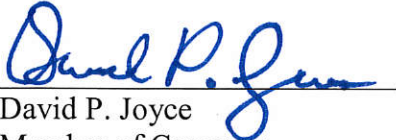
Scott Perry
Member of Congress



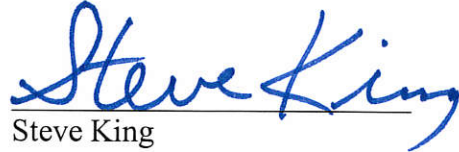
Donald M. Payne, Jr.
Member of Congress



Lloyd Doggett
Member of Congress



David P. Joyce
Member of Congress



Steve King
Member of Congress



Eddie Bernice Johnson
Member of Congress



Robert Aderholt
Member of Congress



Barbara Comstock
Member of Congress



Darin LaHood
Member of Congress



Robert C. "Bobby" Scott
Member of Congress