

United States Senate

WASHINGTON, DC 20510

May 10, 2013

Marilyn Tavenner
Acting Administrator
Centers for Medicare & Medicaid Services
200 Independence Avenue, SW
Washington, DC 20201

Dear Administrator Tavenner:

We write to express concern with the growing use of preferred pharmacy networks in the Medicare Part D program. We have heard concerns from both small and medium-sized pharmacies in our states about being excluded from the networks, and thus being unable to offer comparable costs for seniors to fill prescriptions at their local pharmacies. We are concerned that these networks may increase Medicare Part D costs, and negatively impact Medicare beneficiaries' access to pharmacies, particularly in rural areas.

The Medicare Modernization Act allows private Medicare plans to create networks of preferred pharmacies, and reduce co-payments for beneficiaries to encourage them to utilize these pharmacies. By law, preferred pharmacy networks must not increase Medicare costs or discourage beneficiary enrollment.

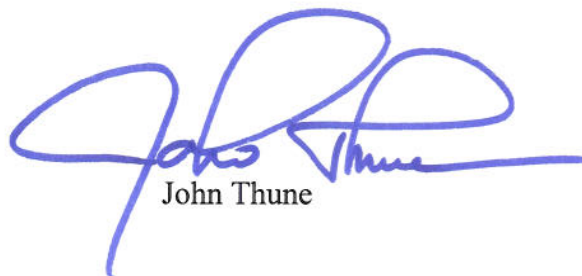
In the recently released Call Letter for the 2014 plan year, CMS identified concerns with the use of preferred pharmacy networks, particularly the potential for disruption in beneficiary access. CMS also expressed concern that the structure of some preferred networks may be increasing costs to the Medicare program.

As CMS reviews Medicare plans for 2014 approval, we ask for additional oversight of Medicare plans with preferred networks. Please review the agency's plans to ensure preferred networks are implemented in a manner that is consistent with the Medicare Modernization Act. We respectfully request that you inform us of your findings, and of steps that have been put in place to ensure Medicare plans using preferred networks are providing high quality care for Medicare beneficiaries while maintaining access to prescription drugs and not increasing overall Medicare costs.

Sincerely,



Sherrod Brown



John Thune

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