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Congress of the United States

House of Representatives

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM
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June 18, 2025

The Honorable Mehmet Oz, M.D.
Administrator
Centers for Medicare & Medicaid Services
7500 Security Blvd.
Baltimore, MD 21244

Dear Administrator Oz:

The Committee on Oversight and Government Reform is conducting oversight of the Medicare Part D Program. The Committee understands that Part D plans and Pharmacy Benefit Managers (PBMs) are limiting access to certain prescription drugs and forcing manufacturers to raise rebates, and therefore prices, to cover the costs of the Inflation Reduction Act (IRA) Part D redesign.[1] We therefore request you provide a staff-level briefing on the Centers for Medicare and Medicaid Services' (CMS) efforts to ensure Medicare recipients are not negatively impacted by the IRA Part D redesign.

As you are aware, the IRA, under the guise of lowering health care costs, created the Part D Manufacturer Discount Program, or Part D redesign, which made drug manufacturers pay additional discounts on prescription drugs.[2] This Part D redesign also increased the liability for Part D plans and PBMs because it reduced the federal government's direct spending.[3] Apparently, as the redesign went into effect, Part D plans and PBMs used their position as middlemen to improperly pass the costs of the Part D redesign onto manufacturers.[4] According to reports, Part D plans and PBMs are incentivized by the Part D redesign to prefer higher list price drugs with higher rebates, a direct contradiction to the stated goals of the IRA.[5] President Donald Trump consistently highlighted the importance of reducing the cost of prescription drugs for all Americans and it is vital that plans and PBMs are not pushing patients to higher cost medications to pad their own bottom line.[6]

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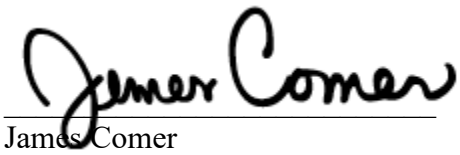
[1] Mandates, Meddling, and Mismanagement: The IRA's Threat to Energy and Medicine, Hearing before Subcomm. On Econ. Growth, Energy Policy, and Reg. Affairs, and Subcomm. on Health Care and Fin. Servs, 119th Cong. (May 20, 2025) (Testimony of Erin Trish); *See also* Dana Goldman et. al, *Mitigating the Inflation Reduction Act's Adverse Impacts on the Prescription Drug Market*, USC Leonard D. Schaeffer Inst. For Pub. Pol'y & Gov. Serv., (Apr. 13, 2023).
[2] *See* Goldman, *supra* n. 1.
[3] *Id*.
[4] *See* Mandates, Meddling, and Mismanagement: the IRA's Threat to Energy and Medicine, *supra* n.1.
[5] Christen Young, *Medicare's recent actions to promote access to lower cost drugs*, BROOKINGS, (Mar. 28, 2025).
[6] Fact Sheet: President Donald J. Trump Announces Actions to Lower Prescription Drug Prices, WHITE HOUSE, (Apr. 15, 2025).

Based on these concerns, it is vital for the Committee to understand what actions CMS is taking to prevent abuse in the Medicare Part D program. To assist the Committee's oversight of this matter, we request a staff-level briefing to be held no later than June 25, 2025.

The Committee on Oversight and Government Reform is the principal oversight committee of the U.S. House of Representatives and has broad authority to investigate "any matter" at "any time" under House Rule X. To schedule the briefing or to ask any related follow up questions, please contact the Committee on Oversight and Government Reform Majority staff at (202) 225-5074. Thank you for your attention to this important matter.

Sincerely,



James Comer
Chairman
Committee on Oversight and Government Reform

cc: The Honorable Stephen Lynch
Committee on Oversight and Government Reform