

STATEMENT
BEFORE THE
UNITED STATES SENATE
SPECIAL COMMITTEE ON AGING
HEARING
ON

*"The New Medicare Drug Discount Card: An Advance
Prognosis"*

MARCH 9, 2004
628 DIRKSEN SENATE OFFICE BUILDING
WASHINGTON, D.C.

FOREST HARPER
VICE PRESIDENT, PFIZER FOR LIVING SHARE CARD PROGRAM
PFIZER, INC.

235 E. 42nd Street
New York, NY 10017

Mr. Chairman and Members of the Committee, my name is Forest Harper and I am a Vice President of Pfizer, in charge of the Pfizer for Living Share Card Program™. I deeply appreciate your invitation to appear today and discuss Pfizer's continuing commitment to providing patients in need with even broader access to the prescription medicines that can help them better manage their health. I ask that this written testimony be submitted for the record.

As you may know, the Pfizer Share Card is the newest component in Pfizer's history of sharing with those in need. The program was launched in January, 2002, and over the last two years the Pfizer Share Card has helped more than 500,000 low-income Medicare enrolled seniors and disabled persons who do not have prescription drug coverage obtain needed medications to improve their health. As of the beginning of March, 2004 more than 4.5 million prescriptions have been filled using the Pfizer Share Card.

Because of Pfizer's commitment, we are actively working with other companies to create a cooperative program which brings together leading healthcare organizations to offer America's 40 million Medicare beneficiaries immediate assistance in getting needed medicines through the Interim Medicare-Approved Drug Discount program.

Pfizer's Commitment to Access for Medicare Beneficiaries

Although this new initiative is still under development, I can tell you that it will integrate administration expertise and retail pharmacy network access with the prescription drug savings of the Pfizer Share Card, as well as discounts available through other participating companies. We believe that the cooperative program under discussion could be one of the most comprehensive discount drug card programs currently under consideration by the Center for Medicare and Medicaid Services (CMS).

The proposed program envisions a broad coalition of healthcare companies aligned around common goals: providing Medicare beneficiaries in need with access to medicines and

preserving the integrity of the physician-patient and pharmacist-patient relationships that are at the heart of our healthcare delivery system.

This new card will help to maximize choice, promote competition, and offer seniors in need real and immediate assistance with the cost of prescription medicines. We expect that Medicare beneficiaries will find this unique program to be of tremendous value to them and their families starting in June.

Pfizer's efforts to date to participate meaningfully in the Interim Medicare Discount Card program underscores our commitment to ensuring continuity of care for our current Pfizer Share Card members, and to providing patients in need with even broader access to the prescription medicines that can help them better manage their health.

We are pleased that other pharmaceutical companies have taken similar steps and are hopeful that more will follow.

More Than Two Years of Experience Reaching Out to Low-Income Medicare Beneficiaries

Pfizer has been operating the Pfizer Share Card program for more than 2 years. The program focuses on Medicare enrolled seniors and disabled beneficiaries who do not have prescription drug coverage but who do need help in obtaining the medications they need. Several studies have shown that these low-income seniors are 15 times more likely to experience health complications due to difficulty in filling their prescriptions and following their doctor's prescribed course of therapy.

As a result, these Americans suffer unduly from untreated disease and spend far too much time in hospitals and emergency rooms. That's a losing situation all the way around - for the patients, for their families and ultimately, for all of us as a society who bear the emotional and financial burden of untreated and under-treated medical conditions. It's a problem we are addressing with a variety of initiatives, including the Pfizer Share Card.

The Pfizer Share Card is a comprehensive program that provides 3 immediate health benefits to enrollees (see Chart A).

- ❑ First, the program provides enrollees with the Pfizer Share Card. This card makes it possible for patients in need to obtain their Pfizer medicines for a flat fee of \$15 per monthly prescription. The Pfizer Share Card offers access to a broad array of Pfizer products.
- ❑ Second, the program educates patients about their diseases. It provides them with the opportunity to receive easy-to-read, non-branded, health education information on 16 common medical conditions, such as high blood pressure, high cholesterol, diabetes and arthritis.
- ❑ Third, the program offers applicants and enrollees access to live customer service representatives who can provide them with assistance filling out the application and with information on specific state and federal programs for which they may be eligible.

Qualifying for the Pfizer Share Card program is simple. Individuals must be enrolled in Medicare, have a gross income of less than \$18,000 (less than \$24,000 for couples) and have no prescription drug coverage or access to other publicly-funded drug coverage like Medicaid or state-funded prescription assistance programs.

Since we have been operating the Pfizer Share Card, we have learned a number of important lessons that are valuable to help ensure the success of the Interim Medicare Drug Discount Card program. We learned that simplicity works. Seniors are more likely to use a program that is simple to enroll in, predictable in terms of costs, and effective in helping them to get the medicines they need when and where they need them.

Last year, we released a *Report to America* that outlined the lessons we've learned in designing and administering the Pfizer Share Card program, and the impact it's had on the lives of enrollees. Data from a survey conducted by the Marist College Institute for Public Opinion

published in the *Report to America* show that a program like the Pfizer Share Card can dramatically improve treatment adherence among enrollees. Seventeen percent more patients reported taking their doctor's full treatment. They stuck with their treatment and improved their health. That is the ultimate test of success for a meaningful prescription medicine benefit.

The Pfizer Share Card supports the physician-patient relationship first by providing information to patients on sixteen diseases common among seniors. These "plain English" materials help patients better understand their conditions so they can have more productive discussions with their doctors. Secondly, the Pfizer Share Card supports the physician's ability to prescribe the right medicine at the right time for his or her patient without concerns that the patient will be denied access to that medicine. Respecting physicians' clinical decisions when it comes to prescribing medicines is important and part of our plan for the coalition.

We have also learned important lessons about how to reach low-income Medicare beneficiaries and educate them about programs such as the Pfizer Share Card. Specifically, we have learned that to reach this target population, a program must go the extra mile to break down social barriers to enrollment. Pfizer has been very successful in building an extensive network of partnerships with organizations at the local, regional, and national levels to help educate eligible Medicare beneficiaries across language and cultural boundaries about the benefits of the Pfizer Share Card program.

Through an extensive grassroots outreach effort that started at the launch of the Pfizer Share Card, over 25,000 community-based organizations have worked with Pfizer to educate Medicare beneficiaries about the Pfizer Share Card. An effective program must rely on networking with trusted individuals, such as healthcare professionals, caregivers, churches, religious leaders, family and friends, to help raise awareness and facilitate enrollment. As we develop and participate in this new discount card program, we will bring this outreach and communication expertise to bear to help support the successful implementation of the Medicare Interim Drug Discount Card program.

I would like to share with you just one of the thousands of success stories from a Pfizer Share Card enrollee.

Lorraine, who is 74 years old and lives in Sandy, Utah, became a Share Card member in September of 2002. At that time, Lorraine had no prescription drug coverage and great difficulty getting the medicines she needed. She went looking for help, and, I am pleased to say, found the Pfizer Share Card. Lorraine was an accountant before she retired, and she did the math. She found that the Pfizer Share Card saved her about \$100 per month. Since then, she has become a passionate advocate of the Pfizer Share Card. She has spoken at community events, including an Aging Conference sponsored by Senator Hatch in May 2003.

Lorraine, and others like her, are the reason we started the Pfizer Share Card and the reason we are committed to making the Medicare Drug Discount Card work

Pfizer's History of Sharing

For over 150 years, Pfizer has been dedicated to improving the health and quality of life of people in communities around the world.

Our experience with the Pfizer Share Card and Pfizer's other patient assistance programs confirms that improving access to the medicines physicians prescribe for their patients increases adherence with recommended treatment. This enhances patient health and quality of life. Our philanthropy programs are designed to put the patient's health first, and support the physician-patient relationship by helping to ensure that patients have access to the medicines that their doctors feel are right for them.

Pfizer is dedicated to discovering and developing new medicines and making them available to people around the world. Pfizer's Research and Development operation is the largest privately-funded biomedical organization in the world. Our scientists have produced innovative breakthroughs in a wide range of research areas, including depression, diabetes, high cholesterol,

AIDS, hypertension, and life-threatening infections. And today we're taking on some of the difficult diseases that affect our lives, including cancer, arthritis, and osteoporosis.

But we believe that our responsibility does not end in the lab. We must ensure that patients across the U.S. and around the world are able to benefit from the fruits of this enormous effort. We firmly believe that access to medicine shouldn't be unfairly limited by a limited income.

In addition to the Pfizer Share Card, Pfizer operates several meaningful patient assistance programs that provide low-income, uninsured patients with simple and convenient access to Pfizer prescription medicines for free (see Chart B).

For more than 30 years, Pfizer has been reaching out to people in need. Every day, we donate well more than \$1 million in medicines through our U.S. outreach programs – in fact, in 2003 we donated \$500 million in medicines, helping more than 1.2 million patients. These programs are tailored to serve a variety of people with different health care needs and make our medicines available to more than 27 million eligible people – those who have low incomes and lack prescription drug coverage. Our medicines include many essential treatments for the diseases common among Medicare enrollees, including heart disease, diabetes, arthritis, Alzheimer's and mental illness. Our patient assistance programs provide these medicines through physicians, community health centers, and major public hospitals across the country.

- ❑ ***Connection to Care*** helps patients through their doctor's office by providing Pfizer medicines free of charge to patients who earn less than \$16,000 a year (or \$25,000 for families) and who lack prescription drug coverage. Upon acceptance, patients receive a three-month supply of product at their doctor's office. In 2003 alone, Pfizer donated more than \$350 million worth of medicines to patients in need through this important program.
- ❑ ***Sharing the Care*** donates Pfizer's leading medicines to low-income, uninsured patients through a network of 380 federally-funded community, migrant and homeless health centers across the country. Eligible patients receive their medication at their health center

pharmacy. Developed in partnership with the National Association of Community Health Centers and the National Governors' Association in 1993, Sharing the Care has won several awards and citations as one of the most successful public /private partnerships in the U.S. Pfizer has donated more than 8 million prescriptions to 1.8 million patients at community health centers since the program's inception ten years ago. That's an estimated \$460 million in donated medicines since 1993.

Pfizer – Life is Our Life's Work

At Pfizer, our business is about saving and improving lives through the discovery and development of new medical advances. We believe that patients must have affordable access to needed medicines while at the same time incentives must be maintained to search for new and better treatments and cures. While these issues must be addressed by society at large, we recognize that we have a role to play as well.

At the core of Pfizer's vision of a healthcare system based on access and innovation, are what Pfizer Chairman and CEO Hank McKinnell calls the five "I-words."

- ❑ First, **Inclusion**: America's healthcare system must give every person the opportunity to get the right diagnoses and treatments.
- ❑ The second pillar is **Individualized** care: America's health care should honor the right of an individual to make choices and allow doctors and patients to choose the best courses of care rather than settling for the lowest common denominator of "standard care for the average person."
- ❑ Third is **Innovation**: American ingenuity is the world's best hope for a better future in healthcare. In fact, in an age when even high-tech jobs are being exported, we should expand this clear competitive advantage and recognize that in healthcare innovation, America provides the world the opportunity for better health.
- ❑ Fourth, **Information**: To help conquer the cost of disease, the healthcare system must give people access to clear and timely information and must help free medical professionals from excessive bureaucracy and help them avoid mistakes in serving patients.

- And the last "I-word" is **Incentives**, for people to pursue better health outcomes. Health care must be re-focused from encouraging reliance on hospitalization and custodial care to encouraging and rewarding patients and health care professional for engaging in holistic health management.

We at Pfizer measure our success not only by our ability to research and develop new medicines, but also by our performance as a corporate citizen—and, in particular, by our ability to provide access to medicines for patients who need them. These efforts reflect our belief that only by providing patients access to the medicines they need will they receive the high quality health care that they deserve.

We believe that a variety of creative public policies and private approaches can improve access without stifling innovation. However, finding these solutions will require new thinking and new approaches.

Concluding Remarks

The enactment of the Medicare Modernization Act is an important step toward increasing the quality of healthcare for Medicare beneficiaries. The law creates a significant benefit for many patients who need help to secure access to life-saving and life-improving medicines. That is particularly true for the most vulnerable of Medicare beneficiaries – those with limited incomes.

The Interim Medicare Drug Discount Card Program is an integral and important piece of the new Medicare bill. Like the Pfizer Share Card, it is designed to provide immediate assistance to those most in need, while CMS goes about the difficult task of implementing the new, universal prescription drug benefit in 2006. Pfizer is committed to helping to make both programs a success.

Two years ago, we created the Pfizer Share Card as a bridge to a Medicare prescription drug benefit. The Pfizer Share Card has provided immediate assistance to those most in need while Congress took on the challenge of creating a more enduring legislative solution. We are pleased to reaffirm and build on this commitment to seniors and disabled Medicare beneficiaries.

Thank you again for inviting me to be here today. Pfizer looks forward to cooperating with this committee as you work to ensure that as many patients as possible benefit quickly from the launch of the Interim Medicare Drug Discount Card program and the eventual establishment of a lasting Medicare prescription drug benefit.

###