

**COMMITTEE ON WAYS AND MEANS  
U.S. HOUSE OF REPRESENTATIVES  
WASHINGTON, DC 20515**

September 30, 2020

The Honorable Alex M. Azar II  
Secretary  
U.S. Department of Health and Human Services  
200 Independence Avenue, SW  
Washington, DC 20201

Dear Secretary Azar,

We write urgently to request information regarding the recent announcement by Mr. Trump that his administration plans to send prescription drug discount cards to certain Medicare beneficiaries over the coming weeks. After the Trump Administration repeatedly turned its back on Americans who need help affording the high costs of their prescription drugs, the announcement appears to be an outrageous bribe intended to buy election votes with taxpayer money and yet the latest con perpetuated by this corrupt regime on the American people.

The Trump Administration's record over the past nearly four years reflects an abysmal failure to lower prescription drug costs. Despite repeated assertions that the Trump Administration has brought down drug prices, the facts tell a different story. Spending on prescription drugs has increased at a higher annual rate under Mr. Trump in comparison with what occurred under President Obama. While once claiming to support the ability for Medicare to finally negotiate for lower prescription drug prices, Donald Trump has refused to support legislation passed by the House of Representatives that provided such authority and also added dental, hearing, and vision benefits under Medicare.

Now, with voting already underway, rather than supporting legislation that would bring down drug costs, Mr. Trump is making what appears to be a desperate, and likely illegal, attempt to raid the Medicare Trust Fund for his electoral gain. While the U.S. Department of Health and Human Services (HHS) has refused to provide Congress with further details about this announcement to date, initial press reports detail the brazen nature of Trump's scheme. It appears that the Trump Administration may seek to rely on existing waiver authority and claim imaginary "savings" from a separate plan that has not even gone into effect yet. In reality, and in keeping with past dubious actions by this administration to try and abuse taxpayer money, senior citizens and taxpayers will likely be left on the hook to pay for this scam, should it ever be effectuated.

As you know, the Constitution provides Congress with the power of the purse, not the Executive Branch. The administration has no authority to spend billions of taxpayer dollars as it sees fit, no matter the political benefit it may seek. This latest gambit by Donald Trump is another abuse of power aimed solely at improving his political standing, rather than advancing the needs of the American people.

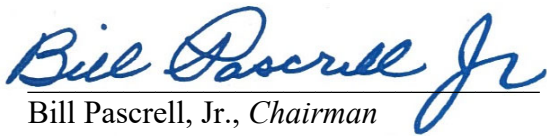
Accordingly, we request that you provide responses to the following by no later than October 7, 2020:

- 1) Please describe the specific legal analysis and justification for the use of such funding from the U.S. Treasury for this purpose. What source of revenue from the Treasury will be tapped to pay for the money loaded onto the cards? If funds will be spent from either the Medicare Hospital Insurance or Supplemental Medical Insurance Trust Fund, please describe the specific legal authority for expropriating funding from the Medicare trust funds for this purpose. Please also provide all memoranda related to the legal justification for this action.
- 2) Have either you or any of your adjutants consulted with Donald Trump, officials in the White House, or individuals associated with the Republican Party to discuss how this bribery scheme would be of electoral benefit to Donald Trump? At what point in time did HHS become aware of this proposal to send cards to Medicare beneficiaries for the purchase of prescription drugs? Did HHS receive any actuarial estimates regarding how this action would affect the Medicare trust funds or consider whether or not this would negatively impact their solvency or beneficiary premiums? Please list the date and time of any meetings, attendees from HHS, attendees from other agencies, and external individuals present at these meetings. Please also detail those discussions and produce all documents containing advice, estimates, and other considerations or recommendations related to sending out these cards.
- 3) What company will be responsible for printing and mailing the cards? Please provide a copy of the contract with that organization and the amount paid along with any deliverables? Will the distribution of the cards be administered by an existing Medicare Administrative Contractor or through a separate financial services company? Was this contract competitively awarded? If not, why were usual procurement rules not followed? Please provide all documents related to performance metrics for the company or companies manufacturing and mailing the cards, as well as any safeguards put in place to prevent theft, exploitation, or other misuse of these cards. What is the expectation in the contract for the date at which mailing will begin and conclude? Does any officer or executive of this company or companies have any existing financial or personal relationship with members of the Trump Administration or Trump family members?

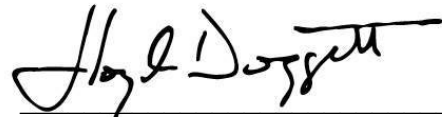
- 4) Does the Trump Administration intend to prioritize certain states above others in sending out these cards? Please provide the production and mailing schedule, including a full timeline of when, where, and how many of these cards will be sent. Please also include a sample card and confirm if the President, Vice President, or any political appointee will have their name on the card or related correspondence.
  
- 5) Please list the products and criteria for what may be purchased with these cards. Where will beneficiaries be able to use them? Will the funding on the cards expire? Are there limitations on what the cards can be spent on and how or where they can be used (i.e. generics, brand, biologics)? How do these cards interact with co-pays or co-insurance? Are there any fees associated with the cards? Will any amounts need to be repaid by recipients? Please provide any documentation related to how Medicare beneficiaries can utilize these cards.

Thank you for your prompt attention to this critical matter.

Sincerely,



Bill Pascrell, Jr., *Chairman*  
Subcommittee on Oversight  
Committee on Ways and Means



Lloyd Doggett, *Chairman*  
Subcommittee on Health  
Committee on Ways and Means