Arena

Arena Pharmaceuticals, Inc.

June 22, 2015

The Honorable Johnny Isakson
United States Senator
131 Russell Senate Office Building
Washington, DC 20510

The Honorable Mark Warner
United States Senator
475 Russell Senate Office Building
Washington, DC 20510

Dear Senators Isakson and Warner:

Arena Pharmaceuticals appreciates the attention and focus that the Senate Finance Committee is committing towards improving care for Medicare patients that suffer from multiple chronic conditions. And we are pleased that the Committee has formed a chronic care working group to seek recommendations and policies to improve care for such Medicare patients.

Arena Pharmaceuticals seeks to improve health by bringing innovative new medicines to patients. Arena is proud to have discovered a novel, new molecular entity (BELVIQ®) that is FDA approved to assist individuals suffering with obesity.

Arena agrees with the Committee that the impact of chronic diseases on the Medicare program and the patients that it serves is staggering. Given that obesity is the underlying disease causing many chronic diseases such as diabetes, cardiovascular disease, osteoarthritis and certain cancers, it would seem that treating obesity could be one way to help manage a multitude of chronic diseases while at the same time curbing health care spending.

Just like smoking was prevalent fifty years ago, once Congress and the Federal government stepped in to educate American citizens about smoking's detrimental effects there was a precipitous drop in the smoking rate. Congress now has the opportunity to lead the effort to help Americans to lose weight. And hopefully in less than fifty years, the number of overweight and obese citizens will be minimal.

Weight loss has been shown to improve health outcomes and well-being, while also lowering lifetime spending - ultimately translating into cost savings. These cost savings are important because in Medicare alone, the United States spends $50 billion annually on obesity, and 75 percent of every healthcare dollar spent in the United States goes for the treatment of obesity or its related chronic conditions.

As stated in your letter to stakeholders on May 22, 2015, one of the three bipartisan goals the Committee outlined for helping patients with chronic diseases is:

- Facilitating the delivery of high quality care and improving care transitions, patient outcomes and program efficiency to reduce the growth of Medicare spending.

6154 Nancy Ridge Drive • San Diego, CA 92121 • 858.453.7200 • Fax: 858.453.7210

In addition, Arena welcomes the opportunity to address some of the issue areas outlined in the letter. Specifically, Arena would like to address two of the issues:

1) The effective use, coordination, and cost of prescription drugs; and

2) Ways to more effectively utilize primary care providers and care coordination teams in order to meet the goal of maximizing health care outcomes for Medicare patients living with chronic conditions.

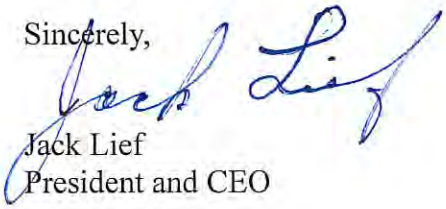
Arena strongly supports the delivery of high quality care, patient outcomes and program efficiency. That is why Arena supports the Treat and Reduce Obesity Act of 2015 (S. 1509 and HR 2404). Currently, even though obesity is classified as a disease (ICD-9 code 278, and a new ICD-10 code E66), it is the *only* disease where Medicare law and regulations forbid access to the full range of treatment. For Medicare patients suffering with obesity, Medicare only allows for screening, limited counseling, and then bariatric surgery for qualifying patients. It does not cover new FDA-approved weight management therapies.

Importantly, S. 1509 would reverse current law and allow Medicare beneficiaries to have coverage of FDA-approved prescription drugs for chronic weight management. In addition, the bill requires the Department of Health and Human Services (HHS) to report back to Congress with recommendations for better coordination of US government efforts on obesity. Since the measure addresses several of the policy areas your request details, Arena Pharmaceuticals believes S. 1509 is worthy of inclusion in your legislative product.

Overall, the health benefits and savings from Medicare beneficiaries losing weight will be significant. Even just a small drop in the Medicare obesity rate today would result in significant benefits, both improved health outcomes and cost savings to the Medicare program.

Arena would welcome the opportunity to further discuss this issue and answer any questions you may have. Thank you for the opportunity to comment and we applaud the Committee for its efforts to address chronic care reform.

Sincerely,



Jack Lief
President and CEO

CC: The Honorable Orrin Hatch
The Honorable Ron Wyden

Arena Pharmaceuticals - 6154 Nancy Ridge Drive – San Diego, CA 92121 – 858.453.7200