

Please Support A3717 (Mukherji, Downey, Houghtaling)

Prohibits pharmacy benefits managers (PBM) from making certain retroactive reductions in claim payments to pharmacies

Independent Pharmacies are Requesting Reimbursement Transparency

PBM retroactive fees have reduced patient access to independent community pharmacies and their ability to continue serving patients. These fees, typically assessed by PBMs well after prescriptions are dispensed to patients, blow a hole in community pharmacy operating budgets by making it impossible to determine their reimbursements. **PBMs are charging retroactive fees in commercial plans.**

A3717 Supports Drug Price Transparency - Retroactive fees hide true prescription drug costs from patients, businesses and local governments.

- **Prohibits Retroactive Pharmacy Fees:** Pharmacies simply want to know what fees will be charged by PBMs at the point of sale, not weeks or months later. A3717 does not prevent PBMs from charging pharmacy fees, but prevents retroactive fees in commercial plans. PBMs & plans should reflect these pharmacy fees at the point-of-sale to bring clarity to the pharmacy in terms of their true reimbursement and the patient's true prescription drug cost.
- **Drug Price Transparency:** Provide patients, businesses, state and local governments with clarity on what they're actually being charged for prescription drugs by disclosing fees at the point of sale.
- **Reimbursement Transparency Amendments:** In 2016 pricing transparency for pharmacies was signed into law, however the marketplace has changed and new pharmacy reimbursement formulas are being utilized by PBMs that are not be covered by state law; P.L.2015, c.179. These amendments provide that the new pharmacy reimbursement formulas are covered under the state transparency law.

U.S. Centers for Medicare & Medicaid Services (CMS) Analysis: Retroactive fees do not reduce drug costs.

- As CMS explains and contrary to what Part D plans and PBMs have previously asserted, retroactive fees on pharmacies do not reduce the cost of drugs for beneficiaries at the point-of-sale.
- Retroactive fees push seniors into the 'donut hole' or catastrophic phase of the Part D benefit faster.
- PBMs favor the use of these post point-of-sale price adjustments because it shifts more liability to the Medicare program and the federal government and away from the Part D plan and PBM.
- **CMS Proposed Rule for the 2019 Medicare Part D:** All pharmacy price concessions reflected as part of the negotiated price. Doing so would reduce net beneficiary costs by \$10.4 billion, CMS concluded.

Sincerely,

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News Releases

NCPA Statement on Medicare Part D Proposed Rule

by NCPA | Nov 20, 2017

ALEXANDRIA, Va. (Nov. 20, 2017) – The Centers for Medicare and Medicaid Services' proposed rule for the 2019 Medicare Part D plan year includes important provisions to address concerns of independent community pharmacies and the patients they serve, raised by the National Community Pharmacists Association. In response, NCPA's Chief Executive Officer B. Douglas Hoey, Pharmacist, MBA, issued the following statement:

"More than a third of the prescription drugs dispensed in independent community pharmacies are for Medicare Part D beneficiaries. NCPA member pharmacies provide access to care and medication in underserved areas. However, several issues threaten continued beneficiary access to these providers.

"The biggest challenge is the retroactive pharmacy Direct and Indirect Remuneration (DIR) fees. NCPA strongly supports CMS' intention to have all pharmacy price concessions reflected as part of the negotiated price. Doing so would reduce net beneficiary costs by \$10.4 billion, CMS concluded, and would give community pharmacies greater predictability regarding reimbursement rates.

"NCPA also supports CMS' proposal to address concerns regarding plan sponsors or their PBMs limiting patient access and excluding community pharmacies from participation in Part D standard networks based on arbitrary reasons that effectively limit competition and steer patients to PBM-affiliated pharmacies. Contrary to misinformation circulating from the PBMs, this proposed rule would not open Part D preferred pharmacy networks to participation from any willing pharmacy. In addition, NCPA commends CMS for its proposal to give community pharmacies easier access to Part D plan terms and conditions for network participation. We encourage CMS to implement these and other policies in the proposed rule to make it easier for independent community pharmacies to provide seniors with prescription drug services, which means more time can be spent focusing on what matters the most – driving better health outcomes for Medicare beneficiaries."

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The National Community Pharmacists Association (NCPA®) represents the interests of America's community pharmacists, including the owners of more than 22,000 independent community pharmacies. Together they represent an \$80 billion health care marketplace and employ more than 250,000 individuals on a full- or part-time basis. To learn more, go to www.ncpanet.org, visit facebook.com/commpharmacy, or follow NCPA on Twitter [@Commpharmacy](https://twitter.com/Commpharmacy).