



FOR IMMEDIATE RELEASE

September 12, 2019

CONTACTS:

[Jack Mozloom](#), National Community Pharmacists Association

[Chris Krese](#), National Association of Chain Drug Stores

[Sheila Arquette](#), National Association of Specialty Pharmacy

[Alicia Kerry Mica](#) or [Chad Clinton](#), American Pharmacists Association

[Heather Garlich](#), Food Marketing Institute

[Laura Strange](#), National Grocers Association

[Elizabeth Nelson](#), National Alliance of State Pharmacy Associations

[Christine Polite](#), American Society of Consultant Pharmacists

Senate Finance Committee Wages Bipartisan Effort Across Branches of Government to Relieve Patients and Pharmacies from Pharmacy DIR Fees

Pharmacy welcomes letter from over 80 percent of Committee members to Trump Administration, urging closure of Medicare regulatory loophole as legislative push continues

Washington, D.C. – On a strong bipartisan basis, the chairman, ranking member, and an overwhelming majority of the Senate Finance Committee [have asked the Trump Administration](#) to do its part to close a Medicare regulation loophole – known as pharmacy direct and indirect remuneration (DIR) fees – that inflates patients’ out-of-pocket drug costs and that is pushing pharmacies out of business. Eight organizations representing pharmacy’s collective and unified voice lauded the request as “an essential part of a regulatory and legislative push to remedy a problem that becomes more dire with each passing day.”

Over 80 percent of the Senate Finance Committee – 10 Republicans and 13 Democrats – joined Senate Finance Committee Chairman Chuck Grassley (R-IA) and Ranking Member Ron Wyden (D-OR) in signing a letter to Health and Human Services Secretary Alex Azar and Centers for Medicare & Medicaid Services Administrator Seema Verma.

In the letter, the Senate Finance Committee members urged HHS to “revive the pharmacy DIR reforms included in [CMS’] November 30, 2018 proposed rule, ‘Modernizing Part D and Medicare Advantage to Lower Drug Prices and Reduce Out-of-Pocket Expenses,’ (CMS-4180-P), and finalize them for plan year 2021.” The letter said these reforms “will help preserve beneficiary access to community pharmacies and lower out-of-pocket costs – both of which will improve prescription drug adherence and health outcomes.”

The following organizations underscored the importance of the request in a joint statement: National Community Pharmacists Association; National Association of Chain Drug Stores; National Association of Specialty Pharmacy; American Pharmacists Association; Food Marketing Institute; National Grocers Association; National Alliance of State Pharmacy Associations; and American Society of Consultant Pharmacists.

These organizations stated: **“This letter reflects the strong bipartisan recognition that pharmacy DIR fees must be stopped to prevent harm to patients and to the pharmacies that serve them – harm that is egregious and escalating. The Senate Finance Committee members stated clearly the importance of this issue to patients and to pharmacies; the concerns regarding Medicare Part D plan and pharmacy benefit manager (PBM) practices; the economic factors that are necessary to consider when accurately evaluating the importance of DIR fee relief; and the policies that are necessary to deliver true reform.**

“This is the breaking point, and there is no alternative but for both legislative and regulatory approaches to deliver a timely and comprehensive solution to change the definition of ‘negotiated price’ and to establish standardized pharmacy quality metrics. We appreciate the leadership of Chairman Grassley and Ranking Member Wyden, and the Senate Finance Committee members who signed this letter. DIR fee relief is absolutely essential for patients and for pharmacies now. It also is a necessary component of any effort to reduce patients’ out-of-pocket costs, to enhance transparency, and to foster the sustainability of Medicare.”

The Senate Finance Committee letter follows a [legislative markup in July](#) for the *Prescription Drug Pricing Reduction Act (PDPRA) of 2019*. Following that markup, the eight associations noted initial bipartisan progress on legislative language for direct and indirect remuneration (DIR) fee reform, but reiterated the need for swift and decisive action on this issue.

Previously, the Trump Administration proposed a concept for DIR fee relief in late 2018, but this concept was not included in the final Medicare rule issued in May 2019. That rule, however, did not rule out subsequent action. In June, the pharmacy organizations commended the approximately one-quarter of the [U.S. Senate](#) and [U.S. House of Representatives](#) who wrote to President Trump on a bipartisan basis, urging action on this issue.

In concluding their letter, the Senate Finance Committee members stated, “We urge HHS to use its regulatory authority to reform pharmacy DIR for plan year 2021 by reviving and finalizing the changes proposed in November 2018. These reforms, along with movement to a standardized set of pharmacy quality metrics, will enable pharmacies to best serve beneficiaries and bring more transparency and value to the Part D program.”

###

Information about the participating organizations is available via their websites:

[National Community Pharmacists Association](#)

[National Association of Chain Drug Stores](#)

[National Association of Specialty Pharmacy](#)

[American Pharmacists Association](#)

[Food Marketing Institute](#)

[National Grocers Association](#)

[National Alliance of State Pharmacy Associations](#)

[American Society of Consultant Pharmacists](#)