

September 26, 2016

Dear Representatives Griffith, Welch, Barletta, Blum, Carter, Crawford, Jones, McMorris-Rodgers and Sessions:

As representatives and advocates of the pharmacy community we thank you for your leadership in introducing H.R. 5951, the Improving Transparency and Accuracy in Medicare Part D Spending Act. This legislation would rein in retroactive direct and indirect remuneration (DIR) fees imposed by pharmacy benefit managers (PBMs) in Medicare Part D.

Retroactive DIRs, often assessed weeks or even months after a prescription has been filled, prevent pharmacies from knowing at the time of dispensing what their true reimbursement will be for that prescription. Such lag time creates an unnecessary burden on pharmacy operations and makes it very difficult to make decisions for the future. Furthermore, the magnitude of these fees often force pharmacies to make tough decisions to cut back on community contributions or to reduce employee hours, or in some cases laying off employees. Such actions have a ripple effect through local economies.

This common-sense legislation would bring greater transparency to pharmacy payments by informing pharmacies at the point of sale what their reimbursement will be for clean claim prescriptions and allow for better business planning. Furthermore, it successfully achieves greater transparency without raising costs in Medicare Part D while not interfering with the ability of PBMs to create incentive-based payment models that reward pharmacies for achieving contractual-based metrics.

Moreover, this legislation also benefits patients because DIR fees that are not accounted for upfront inflate drug costs at the pharmacy counter, and therefore beneficiary cost sharing. Beneficiaries reach the “coverage gap” sooner and face increased coinsurance. DIR fees not accounted for upfront also lead to inaccurate prices on Medicare Plan Finder.

For these reasons, we are proud to endorse H.R. 5951 and urge swift Congressional action. We again, thank you for your leadership in introducing this critically necessary legislation.

Sincerely,

Academy of Independent Pharmacy/Georgia Pharmacy Association

Alabama Pharmacy Association

Alaska Pharmacists Association

Alliance of Independent Pharmacies of Texas

American Pharmacists Association

American Pharmacy Cooperative, Inc.

American Pharmacy Services Corporation

American Associated Pharmacies
AmerisourceBergen
Arizona Pharmacy Association
Arkansas Pharmacists Association
Astrup Drug
Bartell Drugs
California Pharmacists Association
CARE Pharmacies Cooperative Inc.
Colorado Pharmacists Society
Compliant Pharmacy Alliance Cooperative
Connecticut Pharmacists Association
Dakota Drug, Inc
Discount Drug Mart
Federation of Pharmacy Networks
Florida Pharmacy Association
Food Marketing Institute
Fruth Pharmacy Inc.
Georgia Pharmacy Association
GeriMed, Inc.
Hartig Drug Co., Inc.
H. D. Smith
Hi-School Pharmacy Services
Hometown Pharmacies
Illinois Pharmacists Association
Independent Pharmacy Alliance
Independent Pharmacy Buying Group Inc.
Independent Pharmacy Cooperative
International Academy of Compounding Pharmacists

Iowa Pharmacy Association
Kansas Independent Pharmacy Service Corporation
Kansas Pharmacists Association
Kentucky Pharmacists Association
Keystone Pharmacy Purchasing Alliance
Kinney Drugs, Inc.
Kmart
Louisiana Independent Pharmacies Association
Louisiana Pharmacists Association
Maryland Pharmacists Association
Massachusetts Independent Pharmacists Association
Medicine Shoppe / Medicap
Michigan Pharmacists Association
Minnesota Pharmacists Association
Mississippi Independent Pharmacies Association
Missouri Pharmacy Association
Montana Pharmacy Association
Morris & Dickson Co., LLC
Mutual Wholesale Drug Co.
National Alliance of State Pharmacy Associations
National Community Pharmacists Association
National Grocers Association
Nebraska Pharmacists Association
New Jersey Pharmacists Association
New Mexico Pharmacists Association
North Carolina Association of Pharmacists
ND Pharmacists Association
ND Pharmacy Service Corporation

Northeast Pharmacy Service Corporation
Ohio Pharmacists Association
Oklahoma Pharmacists Association
Oregon State Pharmacy Association
Osborn Drugs
PACE Alliance
PARC, an Association of Community Pharmacies
PBA Health
PCCA
Pennsylvania Pharmacists Association
Pharmacists Society of the State of New York
Pharmacist Society of Wisconsin
Pharmacists United for Truth and Transparency
Pharmacy Franchisees and Owners Association
PPOk
PPSC
QualityCare Pharmacies
RDC
Ritzman Pharmacy
Rx Plus
Smart-Fill
South Carolina Pharmacy Association
South Dakota Pharmacists Association
Southern Pharmacy Cooperative
Tennessee Pharmacists Association
Texas Pharmacy Association
Texas Pharmacy Business Council
Texas TrueCare Pharmacies

Third Party Station

Utah Pharmacy Association

Value Drug Company

Virginia Pharmacists Association

Washington DC Pharmacy Association

Washington State Pharmacy Association

West Virginia Pharmacists Association

Western States Pharmacy Coalition