

## True Prescription Drug Costs for Pharmacies and Patients Skewed by PBMs



Most NCPA members consistently encounter misleading and confusing fees imposed by PBMs that negatively impact both pharmacies and patients and distort medication costs and reimbursement rates. That's according to a recent survey we did that was completed by 640 pharmacists.

The survey documents the scope and effect of two relatively recent trends: direct and indirect remuneration (DIR) fees imposed on community pharmacies and patient copay clawbacks—both the handiwork of PBMs.

Sometimes weeks or months after medication is dispensed to a patient and a pharmacy is reimbursed, community pharmacies are assessed "DIR fees" that can turn a modest profit into a financial loss.

According to the survey responses:

- Sixty-seven percent said no information is given as to how much and when DIR fees will be collected or assessed.
- Fifty-three percent said DIR fees are assessed quarterly, with the lag time making it impossible to determine whether the net reimbursement will cover costs.
- Eighty-seven percent said DIRs significantly affect their pharmacy's ability to provide patient care and remain in business.

Many pharmacists said DIRs can total thousands of dollars each month.

Members reported that the Aetna and CVS Caremark drug plans were the most egregious in this area. NCPA posted online comments from pharmacists that further illustrate the problem, and also published an online video of your colleagues discussing the issue.

The survey also disputed claims by PBMs that DIR fees are actually "pay-for-performance" incentives to reward quality care. Although PBMs may try to characterize these fees as "incentives," the fact remains that these fees are extracted from all pharmacies—the caveat being that high-performing pharmacies may not get as much money withheld. Pharmacists said that PBMs were not transparent about their DIR fee criteria and assessed DIR fees on pharmacies with the highest quality ratings.

The second part of the survey explored copay clawbacks on patients, whereby PBMs instruct the pharmacy to collect an elevated copay amount and subsequently recoup the excess amount—and sometimes more—from the pharmacy.

According to the survey responses:

- Eighty-three percent of pharmacists witnessed patient copay clawbacks at least 10 times during the past month.
- Sometimes PBMs impose "gag clauses" that prohibit community pharmacists from volunteering the

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fact that a medication may be less expensive if purchased at the "cash price" rather than through the insurance plan. Some 59 percent of pharmacists said they encountered these restrictions at least 10 times during the past month.

We are continuing to make DIRs a top priority. See Advocacy Alert on page 8 for our latest activities. ■

Best,

Bradley J. Arthur, RPh  
NCPA President 2015–16