Dear-

I would like to invite Representative XXX to visit my pharmacy the upcoming August in-district work period to discuss some important issues affecting the ability of pharmacists to fulfill their primary responsibilities of assisting patients with medication needs and which can ultimately contribute to higher patient costs.

For example, bipartisan legislation has been introduced in both the House and Senate, S. 413/H.R. 1038, the Improving Transparency and Accuracy in Medicare Part D Drug Spending Act, to address retroactive direct and indirect remuneration (DIR) fees charged by many Medicare Part D plans. There is little, if any, transparency in how these fees are assessed, and create unnecessary burdens for small businesses pharmacies trying to predict their operating expenses. Moreover both CMS and MedPAC have raised concerns over the effects pharmacy DIRs have on patients and the Medicare program. CMS noted that pharmacy DIRs effect beneficiary cost sharing, effect CMS payments to plans and push patients into, and through, the coverage gap sooner. Nearly all catastrophic costs are born by Medicare and these costs have more than tripled since 2010. MedPAC, also raised concerns over pharmacy DIRs, stating in its 2015 report to Congress "MedPAC sees insurers gaming the system to hold premiums down and maximize enrollment."

Independent pharmacies also suffer from a lack of transparency in how they are reimbursed for dispensing generic medications as many generic medications are subject to maximum allowable cost (MAC) pricing. These prices are set by the PBMs and updated at their discretion. When prices rise, independent pharmacies can suffer losses of $100 or more on dispensing a medication. CMS recognized this as a problem and declared MAC a pricing standard in Medicare.

H.R. 1316, the Prescription Drug Price Transparency Act, would codify these provisions in Medicare and extend them to the Federal Employee Health Benefit, and TRICARE. This bill would require that PBMs update their MAC lists at least once every seven days, would require the PBM to disclose the source used to set the MAC price and would establish a defined appeals process for pharmacies to follow if they feel they were reimbursed unfairly.

It’s also important for Medicare beneficiaries to have a choice in which pharmacy they use where they can receive the lowest advertised out of pocket costs. Many Medicare plans offer patients reduced co-payments for using the plan’s “preferred” pharmacy. In most plans, the “preferred” pharmacy is either the mail order pharmacy owned by the PBM administering the plan or a big box retail pharmacy. Independent pharmacies are mostly shut out of these arrangements, even though many would be willing to accept comparable contractual terms and conditions, including for reimbursements, as the plan’s “preferred” pharmacy.

S. 1044/H.R 1939, the Ensuring Seniors Access to Local Pharmacies Act, would allow any pharmacy located in a medically underserved community the opportunity to accept the requisite contractual terms to offer these seniors discounted co-payments, availing seniors of more cost saving choices.

These are crucial issues affecting independent pharmacies, our patients and our communities. I would greatly appreciate the opportunity to meet with Representative xxx during an in-district work period to discuss our role in the health care system, the patient centric services we offer, and how these legislative measures can lead to better patient outcomes and reduce costs to both patients and the health care system overall.

Thank you for your time and consideration of this request.

Sincerely,