

February 16, 2017

The Honorable Tom Price, M.D.
Secretary
U.S. Department of Health and Human Services
200 Independence Avenue, S.W.
Washington, D.C. 20201

Dear Secretary Price:

On behalf of the National Community Pharmacists Association (NCPA), we congratulate you on your confirmation as Secretary of the Department of Health and Human Services.

NCPA represents America's independent community pharmacists who are committed to a patient-centered model of delivering medications and medication services. In local communities across the nation, independent community pharmacies play a critical role in ensuring patients have immediate access to the medications they need to treat their health conditions. We are on the front lines of community-based health care delivery, using our unique expertise to partner with patients and providers to help manage chronic conditions and counsel patients on proper medication use.

Independent community pharmacies provide a range of services, including health and wellness screenings and immunization administration, helping to mitigate the impact of provider shortages. The presence of independent pharmacies in rural and inner-city areas is particularly important to preserving patient access to medicines in underserved communities.

We would respectfully request a meeting at your earliest opportunity to share our expertise and discuss possible solutions to address the challenges of rising prescription drug costs and patient access to affordable drug coverage. We look forward to working with you and share your vision to create a "health care system that's affordable, that's accessible to all, of the highest quality, with the greatest number of choices, driven by world-leading innovations, and responsive to the needs of the individual patient." NCPA supports innovative solutions to achieve your goals and advance patient choice and access to medications in a cost-effective, clinically-focused manner.

As Congress and the Administration move forward with reforms to sustain our health care system in the 21st Century, including options to repeal and replace the Affordable Care Act, reform Medicaid and Medicare, and address other health priorities, it is our view that health care reform should ensure all patients have access to meaningful prescription drug coverage. Meaningful coverage for independent community pharmacies includes access to robust pharmacy networks and an in-person pharmacist to fill prescriptions and promote

proper adherence. Generous pharmacy networks promote competition, enabling consumers to choose a pharmacy that is best for them.

Providing patient choice of pharmacy providers, including access to independent retail pharmacies, allowing participation of “any willing pharmacy” in Medicaid pharmacy networks, and enforcing Medicare Part D any willing pharmacy requirements would ensure patient access to face-to-face interactions with a pharmacist. These interactions are proven to improve adherence and long-term clinical outcomes. We also urge continuity in existing requirements for calculating Medicaid pharmacy reimbursement, including requirements that Medicaid pharmacy reimbursement includes both the cost of the medication and dispensing fees.

NCPA supports the President’s initiatives to reduce prescription drug costs and enhance transparency. Transparency cannot occur if Pharmacy Benefit Managers (PBMs) continue to operate in a virtual black box. The only way transparency can be achieved is to expose the pricing behaviors in which PBMs have engaged since the inception of the Medicare Part D program. For example, simpler, more transparent and more economical ways exist to administer the prescription benefits Americans need to get and stay healthy. In Medicare Part D, reforms are needed to address growing concerns over PBM use of after-the-fact reductions to pharmacy reimbursement that mask true drug costs to consumers and the Medicare program. The Centers for Medicare & Medicaid Services indicates these practices shift costs to the catastrophic phase of the benefit, where the government is responsible for 80% of costs.

NCPA would welcome the opportunity to meet with you and share our experiences with the impact of rising drug costs and the need for greater patient access to affordable drug coverage. To schedule a meeting, please contact me at (703) 683-8200 or Doug.Hoey@ncpanet.org. On behalf of America’s independent community pharmacists, including the owners of more than 22,000 independent community pharmacies, who represent an \$81.5 billion health care marketplace and provide employment to over 250,000 Americans, NCPA looks forward to working with you on innovative solutions to make sure patients have access to the right medications in the right setting across the country.

Sincerely,

A handwritten signature in black ink, appearing to read "B. Douglas Hoey". The signature is fluid and cursive, with a horizontal line underlining the name.

B. Douglas Hoey RPh, MBA
CEO, National Community Pharmacists Association