NCPA Advocacy Center Update  
Week Ending May 18, 2018

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**NCPA Attends Meeting at HHS**
This week, NCPA representatives attended HHS Secretary Alex Azar's follow-up speech on President Trump's Friday drug cost speech. To address patients paying the lowest price at the pharmacy counter, Azar said HHS will send a letter to plans to make clear that the agency finds these "gag rule" practices unacceptable. Azar affirmed the agency's focus on rebates in drug pricing and again asserted the agency's authority to address and eliminate remuneration as a possible policy moving forward. Following the speech, HHS pre-published its request for information on policies recommended in the secretary's speech. The docket remains open for 60 days, and NCPA will be filing comments highlighting policies that are important to community pharmacists.

**Speaker Ryan Signals Likely Congressional Action on Drug Pricing**
House Speaker Paul Ryan (R-Wisc.) stated this week that he believes Congress has a role to play in the drug pricing debate and that he anticipates Congressional action on the Trump administration's drug pricing proposals. He further stated that compromise may be forthcoming on the CREATE Act, which speeds the approval process for generic medications.

**NCPA Testifies at Illinois Legislative Hearing on Medicaid**
Matt Magner, NCPA’s Director of State Government Affairs, joined the Illinois Pharmacists Association and several Illinois community pharmacists in Springfield to offer testimony to the Illinois Senate Human Services Committee during a legislative hearing. The hearing focused on Medicaid reimbursements for pharmacy services and PBMs’ role in the program. IPhA and the local community pharmacists gave firsthand accounts of the issues they have been experiencing in the state, and NCPA discussed how states all over the nation are addressing unsustainable reimbursements by PBMs in the Medicaid managed care program.

**House Committees Move Opioid Legislation**
This week, the House continued its efforts to address the opioid crisis with two markups. The Ways and Means Committee advanced 7 legislative packages that contained a number of provisions, many of which had been considered already in the Energy and Commerce Committee. The Energy and Commerce Committee advanced an additional 32 bills. NCPA worked with Republican and Democrat members of the committee to secure important changes to the Medicaid Pharmaceutical Home Act and the Medicaid PARTNERSHIP Act. As originally drafted, the Medicaid Pharmaceutical Home Act would have required states to institute lock-in programs for patients at-risk of opioid abuse but would not have taken into account beneficiaries’ choice of pharmacy, and the Medicaid PARTNERSHIP Act would have
placed duplicative requirements on pharmacists to check PDMPs, in addition to prescribers. Due to NCPA’s advocacy efforts, both bills were changed to ensure that beneficiary choice of pharmacy is taken into account and that pharmacists would not be mandated by the federal government to check PDMPs. It is expected that the House will consider opioid legislation on the House floor in early June.

**CMS Warns Part D Plan Sponsors on “Unacceptable” Pharmacy Gag Clauses**
This week, CMS administrator Seema Verma sent a letter (attached) to all Part D plan sponsors warning them that CMS finds any form of “gag clauses” in pharmacy contracts to be unacceptable and contrary to its efforts to promote drug price transparency and lower drug prices. This was one of the initiatives outlined in President Trump’s May 11 speech on drug prices.

**NCPA Participates in PQA Annual Meeting**
This week NCPA staff attended the 2018 Pharmacy Quality Alliance (PQA) Annual Meeting. Highlights included a keynote address from CMS Administrator Seema Verma whose remarks focused on the appreciation CMS has for the hard work of pharmacists on the front lines and the agency’s dedication to ensuring all patients can access medications at an affordable price. During the meeting, PQA also announced that ten Medicare plan contracts received PQA Quality Awards for high achievement or significant improvement in PQA measures of medication safety and appropriate use. Also PQA, in partnership with the Community Pharmacy Foundation, announced the inaugural recipients of the Community Pharmacy Innovation in Quality (CPIQ) Awards. Winning in the individual category was Kari Trapskin, vice president of Health Care Quality Initiatives at the Pharmacy Society of Wisconsin and the pharmacy category award went to the Charitable Pharmacy of Central Ohio.

Four PQA-endorsed quality measures are used in the 2018 Medicare Part D Star Ratings program, and several others are used as Display measures. Details on these measures are available at [http://PQAalliance.org/measures/cms.asp](http://PQAalliance.org/measures/cms.asp). CMS evaluates Medicare plans based on a 5-star rating system. Star Ratings are calculated each year and may change from one year to the next.

**NCPA Advises FDA on NSURE Initiative**
NCPA staff recently attended a stakeholder meeting to discuss NSURE, the Nonprescription Safe Use Regulatory Expansion initiative, organized by the Gerontological Society of America and the FDA Center for Drug Evaluation and Research. This initiative aims to increase access to prescription drugs in nonprescription settings, particularly those that treat certain chronic conditions, and to improve preventive health care. NCPA staff expressed community pharmacy’s thoughts and questions on how this initiative should be implemented. We will continue working with the FDA and other stakeholders to address this critical issue.

**Senate HELP Committee Delves into 340B**
On Tuesday the Senate Health, Education, Labor and Pensions (HELP) Committee held a hearing on 340B program oversight issues. The hearing was the second in a series of HELP Committee hearings on the 340B program, which Chairman Alexander (R-Tenn.) stated are intended to address: 1) whether the 340B program is fulfilling its intended goals; and 2) whether changes in the law are needed to ensure that the 340B program is able to or continues to achieve its purpose. Witnesses from the OIG and GAO discussed current program oversight issues, with the OIG witness repeatedly stating that transparency could be improved by requiring HRSA to share ceiling price data with providers and states.

Republican members, including Alexander and Sen. Bill Cassidy (R-La.) focused on HRSA’s oversight of the program and the “unintended consequences” of the 340B program, such as whether the program is
encouraging hospitals to use more expensive Part B drugs or incentivizing consolidation. Democratic members including Ranking Member Patty Murray (D-Wash.) focused on the need for more measures to improve transparency on the manufacturer side, including new rules that address overcharging and ceiling price transparency. Finally, Murray and Senator Elizabeth Warren (D-Mass.) sharply criticized the Trump Administration’s recent decision to again postpone a rule related to ceiling price calculations and manufacturer civil monetary penalties (CMPS), stating that these types of manufacturer-focused measures are required to meaningfully address drug pricing issues and improve the 340B program.

NCPA continues to closely monitor any potential legislative or regulatory action on the 340B program that may impact contract pharmacies and will inform membership if those changes come to fruition. A third hearing on 340B will be held later this year.

**In the states ...**

- **Iowa SF 2418**, an appropriations bill containing provisions related to copay clawbacks and pharmacist communication with patients, passed both chambers and was sent to the governor.
- **Louisiana SB 108**, which relates to managed care organization and pharmacy benefit manager disclosures in Medicaid managed care annual reports, passed both chambers and was sent to the governor.
- **Louisiana SB 130**, which limits contracts for Medicaid pharmacy benefit management services to transaction fee only, passed both chambers and was sent to the governor.
- **Louisiana SB 241**, which relates to pharmacist communication with patients, passed both chambers and was sent to the governor.
- **Louisiana SB 283**, which relates to a transparency report and pharmacy benefit manager disclosures, passed both chambers and was sent to the governor.
- **Maryland HB 1349**, which relates to maximum allowable cost transparency, was approved by the governor.
- **Missouri SB 826**, which contains provisions related to copay clawbacks, retroactive fees, and pharmacist communication with patients, passed both chambers and was sent to the governor.
- **New Hampshire SB 591**, which relates to accreditation and certification of pharmacies by pharmacy benefit managers, passed both chambers.

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