

Dear Representative **XXX**:

As an independent pharmacy owner in your district, I am a constituent, healthcare provider and small business owner. As an employer, I employ (**INSERT NUMBER**) of people in the district. As a health care provider, my patients trust me as a resource they can turn to for questions on their medications, including proper use and adherence as well as guidance on whether a suitable generic alternative may be available to them. I am a pharmacist to serve patients.

I cordially invite you to visit and tour my pharmacy during a Congressional recess period and see firsthand the important role we play in our healthcare system, and learn of some of the challenges we face and potential remedies.

As you may be aware, many health plans contract with PBM corporations to administer their prescription drug programs, including commercial plans, those run by the state, and those run by the Federal Government, including programs such as Medicare, TRICARE, and the Federal Employee Health Benefit Program (FEHBP). The PBM corporations contract with small pharmacies on behalf of the plan. Unfortunately, these contracts are often unnegotiable and vague in terms of reimbursements, particularly for generic medications. However, as acquisition costs for generic medications spike, the PBMs keeps the reimbursement levels to pharmacies flat as many generic medications are subject to maximum allowable costs (MAC) pricing, which is the most the PBM will reimburse for such medications. As such, it is not uncommon for a pharmacy to lose \$100 or more on a single prescription, even while costs to plan sponsors continue to increase.

Moreover, many PBMs assess “direct and indirect remuneration” (DIR) fees on pharmacies. These are charges assessed weeks or months after a claim has been adjudicated. The non-transparent nature of these fees make it very difficult to gauge how much we will be paid for a script at the point of sale.

No business can survive for very long under these circumstances, and we are forced to make difficult choices such as cutting our hours, reducing employee hours or even laying them off, or in some cases, closing altogether. These are unfortunate options that have a ripple effect through our local economy.

I hope when your schedule allows you will consider visiting my pharmacy and learn more about what we do and the impact these issues have on our pharmacy and the patients we serve, and, ultimately consider co-sponsoring legislation to address these critical issues.

Thank you for your consideration and for your service to our district.

Sincerely,