

During visit to Grants Pass Pharmacy, Wyden discusses drug costs and business survival

By Jeff Duewel of the Daily Courier
May 29, 2019

Ron Wyden strolled past customers at the Grants Pass Pharmacy on Tuesday, asking about their malted or their old-fashioned phosphate.

Oregon's senior senator also had heavy topics to address with owner/pharmacist Michele Belcher at the second-generation business that's the last independent dispenser of prescriptions in town.

"I believe 2019 has to be the year this country is all in on ending pharmaceutical price gouging," said Wyden while enjoying a Coke float after a tour of the pharmacy at 415 S.W. Sixth St. "2020 is an election year, and in 2021 everything starts over."

The fate of small pharmacies is in the balance, he said.

"Nobody else knows what these folks do about their patients," Wyden said. "The small town pharmacies are the ones who talk to Mr. Jones or Mrs. Smith about how they're doing with their prescriptions."

Belcher, a board member of the National Community Pharmacists Association, worries about staying afloat, with a heavy Medicare load in aging Grants Pass.

Oregon has seen 30% more independent pharmacies close than the rest of the nation, which as a whole lost more than 1,000 independent pharmacies since 2013, according to the pharmacy association. Oregon had 161 independents in 2009, and was down to 121 in 2017.

Grants Pass lost McLain's in 2010 and Service Drugs in 2015, both of them long-time family businesses like Grants Pass Pharmacy.

"We're trying to stay viable as a small business and independent pharmacy," said Belcher. "The services we provide aren't provided by the big boxes."

That includes delivering drugs to 25 to 30 patients a day.

Belcher says the biggest threat to small pharmacies come from what she feels are nefarious fees related to Medicare Part D that middlemen take well after the sale at the counter that are difficult to track. They're known as DIRs (direct and indirect remuneration fees) and also come in the form of rebates that Belcher and Wyden say aren't coming back to the consumer.

Belcher said DIRs range from \$8,600 to \$15,000 a quarter at her pharmacy. The National Community Pharmacists Association said pharmacy DIR fees increased 45,000% between 2010 and 2017.

"The patients never see the money, and they're getting pushed into the donut hole faster," Belcher said, referring to a gap in the Medicare D program with no coverage. "Then they don't take their medicine or they take it every other day."

The donut hole in 2018 it cost individuals \$5,000 out of pocket, minus some discounts, before coverage resumed. It eventually closes, but not before some major expense.

Belcher showed Wyden some data, including one patient who hit the hole and had to pay \$623 instead of \$20 for insulin.

"How many people can fit that into their monthly budget?" she said.

She said the so-called rebates are also keeping insurance companies from covering cheaper, generic drugs.

Wyden had harsh words for the rebates Big Pharma trumpets.

"The drug companies are trying to sell all that window dressing. In my view it's a bunch of baloney."

He wants to reign in pharmacy benefit managers (PBMs), the so-called middlemen, and as the ranking Democrat on the Senate Finance Committee, he's in position to do it.

"Michele is absolutely right about reducing the role of middlemen, the PBMs, which are taking so much out of the health care dollar," Wyden said.

Wyden has reintroduced the C-THRU Act that would require PBMs in Medicare to disclose their rebates provided by drug manufacturers, as well as how much is passed on to health plans, therefore lowering prices for people who need prescription drugs.

He said the Spike Act would address drug makers that "take large price increases with no justification," according to the Senate Finance Committee, and the RxCAP Act would put a limit on out-of-pocket spending on drugs by seniors in Medicare Part D.

He said government should be allowed to negotiate Medicare drug prices, and reduce the "list price" of drugs, which sets the amounts for copays.

"This is going to be a test for the Trump Administration," Wyden said. "He campaigned on giving the consumer more negotiating power (for health care). We'll see if he comes through.

"2019 has to be the year."

Reach reporter Jeff Duewel at 541-474-3720 or jduewel@thedailycourier.com