

Ensuring Seniors Access to Local Pharmacies Act – H.R. 4946

Background

Medicare beneficiary access to prescription drugs is impeded by mandates from insurance middlemen (pharmacy benefit managers or PBMs) that effectively dictate which pharmacy to use based on exclusionary “preferred pharmacy” arrangements between PBMs and, often, Big Box or mail order pharmacies. Independent community pharmacies are not allowed to participate in some of these arrangements, even if they offer to accept the Part D plan’s same contract terms and conditions. This can raise access issues for patients in underserved and rural areas in which independent community pharmacies are predominantly located, which means seniors in these communities often face either higher copays or trips of 20 miles or more to a “preferred” pharmacy .

Solution

Reps. Peter Welch (D-Vt.) and Morgan Griffith (R-Va.) introduced *The Ensuring Seniors Access to Local Pharmacies Act*, H.R. 4946, which would:

- **Give seniors more access to discounted copays for prescription drugs at their pharmacy of choice.** H.R. 4946 would allow community pharmacies that are in medically underserved areas , medically underserved populations , health professional shortage areas, or Federal Office of Rural Health Policy’s designated rural areas to participate in Medicare Part D preferred pharmacy networks so long as they are willing to accept the contract terms and conditions. A study estimated 3 million rural residents are at risk of losing the only pharmacy in their community with the next nearest pharmacy over 10 miles away.¹ For seniors in these communities, having their community’s sole pharmacy excluded from preferred networks creates unnecessary barriers to medication access.
- **Increase competition among pharmacies and Part D drug plans.** H.R. 4946 would empower more seniors to choose the pharmacy that best fits their needs. Further, to level the level playing field among all pharmacies, H.R. 4946 would require that pharmacies are reasonably reimbursed so that PBMs are not reimbursing their affiliated pharmacies more than they do other pharmacies and that reimbursement covers acquisition and dispensing costs.
- **Produce cost savings for the government and taxpayers.** H.R. 4946 would support the Centers for Medicare & Medicaid Services conclusion that pharmacy choice policies are “the best way to encourage price competition and lower costs in the Part D program.”²
- **Promotes transparency so that pharmacies have clear understanding of their reimbursement.** H.R. 4946 would require PBMs provide claim level reports to pharmacies so that pharmacies have a clearer understanding of their reimbursement.

¹ *Issues Confronting Rural Pharmacies after a Decade of Medicare Part D*, RUPRI Center for Rural Health Policy Analysis, Apr. 2017.

² *Announcement of Calendar Year (CY) 2014 Medicare Advantage Capitation Rates and Medicare Advantage and Part D Payment Policies and Final Call Letter*, Centers for Medicare & Medicaid Services, Apr. 1, 2013.