

## H.R. 244

### *MAC Transparency Act of 2015*

H.R. 244 is a bipartisan bill that would ensure federal health plan reimbursements to pharmacies keep pace with generic drug prices, many which skyrocket overnight. The *MAC Transparency Act of 2015* was introduced by Representatives Doug Collins (R-GA-09) and Dave Loebsack (D-IA-02) on January 9<sup>th</sup>, 2015.

#### **Background**

Though generic prescription drugs account for approximately 80 percent of drugs dispensed, the reimbursement system for these medications is largely unregulated and a complete mystery to pharmacists. Furthermore, the lack of transparency raises serious questions as to whether Medicare is overpaying drug plan middlemen, pharmacy benefit managers (PBMs). The contracts independent community pharmacies sign with PBMs in order to gain access to their pharmacy networks are non-negotiable and do not disclose the terms and conditions regarding payments for most generic drugs.

Pharmacists are often reimbursed for generics via Maximum Allowable Cost (MAC) lists created by the PBMs, but the methodology to create these lists are not disclosed, nor are the lists updated on a regular basis, frequently resulting in pharmacists being reimbursed below acquisition cost for various medications.

#### **The *MAC Transparency Act of 2015* will:**

##### **Increase transparency of generic drug payment rates in Medicare Part D, the Federal Employees Health Benefits program (FEHB), and TRICARE pharmacy programs, by requiring PBMs to:**

- Provide pricing updates at least once every seven days;
- Disclose the sources used to update MAC prices; and
- Notify pharmacies of any changes in individual drug prices in advance of the use of such prices for the reimbursement of claims.
- Establish an appeals process to resolve disputes when drug prices are less than the acquisition cost of a drug

##### **Expands the definition of a drug pricing standard.**

- Definition specifically includes MAC as a pricing standard.

##### **Protect patient privacy and choice of pharmacy in Medicare Part D and FEHB pharmacy programs by:**

- Prohibiting a PBM from transmitting personally identifiable utilization or claims data to a PBM-owned pharmacy, unless the patient has voluntarily elected to fill their prescription at such pharmacy; and
- Prohibiting a PBM from requiring that a beneficiary use a retail or mail order pharmacy in which the PBM has an ownership interest.