Congress of the United States Washington, DC 20515

January 16, 2018

Ms. Seema Verma Administrator Centers for Medicare & Medicaid Services 200 Independence Avenue, S.W. Washington, D.C. 20201

Dear Administrator Verma:

We write to express our appreciation and support for a proposal included as part of the Centers for Medicare and Medicaid Services' (CMS) proposed rule for the 2019 Medicare Part D plan year. This proposal would increase transparency and accuracy in Medicare Part D prescription drug spending and reporting.

In June 2016, a bipartisan group of 30 members of the House of Representatives raised concerns with pharmacy price concessions in Part D and the problems that they posed for beneficiary cost sharing, as well as federal reinsurance and low income cost-sharing subsidies paid by CMS to Part D plan sponsors.

We applaud the agency for listening to our concerns and for its proposal that would effectively prohibit retroactive pharmacy Direct and Indirect Remuneration (DIR) fees, which are clawed back by Part D plan sponsors, or their Pharmacy Benefit Manager (PBM) intermediaries, as much as 6 months after a prescription has been filled. We have heard from countless pharmacists in the communities we represent about how these DIR fees threaten their businesses as they do not know when these fees will be collected, how large they may be, and whether the final reimbursement total will even cover the cost of the drug dispensed.

While the agency's proposal would provide some certainty and predictability for community pharmacists on reimbursement rates, CMS also noted that this proposal would reduce net beneficiary costs by \$10.4 billion. Senior citizens should not be forced to pay cost sharing on artificially inflated drug prices at the pharmacy counter that quickly force them into the coverage gap, therefore this proposal is vital in reducing costs for our vulnerable seniors and ensuring they have access to the medications they need.

We thank you for listening to and addressing concerns in regard to the negative impact of retroactive pharmacy DIR fees and urge the Administration to immediately finalize this proposal in the 2019 final Part D rule, rather than continuing to collect further information.

Sincerely,

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