NCPA LTC Division Newsletter

MAC Transparency Bill Impacting Medicare Part D, TRICARE and FEHB Introduced in the House

Bipartisan legislation, introduced earlier this month and endorsed by NCPA, would help prevent community pharmacists from being collateral damage as some generic drug prices spike dramatically but federal health plan reimbursements fail to keep pace. H.R. 244, introduced by Reps. Doug Collins (R-Ga.) and Dave Loebsack (D-Iowa), would address a serious problem in Medicare Part D, the military’s TRICARE program, and the Federal Employees Health Benefits Program (FEHB) that threatens patient access to local pharmacies. The legislation would preserve pharmacy access for patients by requiring PBMs to update their "maximum allowable cost" (MAC) benchmarks every seven days to better reflect market costs and allow pharmacists to know the source by which PBMs set reimbursement for his or her community pharmacy, as well as give patients greater choice of pharmacy. Patients would not be forced by PBMs to use a PBM—owned pharmacy—an obvious conflict of interest. Of note, CMS issued a final rule in May 2014 for Medicare Part D that brings more transparency to generic pricing and requires price updates every seven days starting in 2016. H.R. 244 would codify that reform and expand it to additional government programs. Sixteen states have enacted bipartisan legislation comparable to H.R. 244.

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New Governors' Report Bolsters Argument for Recognition of Pharmacists as
Providers, Identifies Hurdles That Remain

The National Governors Association released an important white paper, *The Expanding Role of Pharmacists in a Transformed Health Care System*, highlighting the important role of pharmacists and their contributions as members of integrated health care teams. The report notes that including pharmacists as part of chronic-care delivery teams has the potential to improve health outcomes and reduce costs due to the critical role medication management plays in treating chronic disease. While the document highlights several innovative state models for recognition and payment for pharmacists' patient care services, it also identified several barriers preventing the full integration of pharmacists into health care delivery teams: restrictive laws and regulations governing collaborative practice agreements, lack of provider recognition in federal and state law governing compensation of pharmacists who provide direct patient care services, and limitations on pharmacists' ability to access health information systems. NCPA was contacted multiple times during the development of this study to discuss the pharmacist’s role in the health care setting outside of simply dispensing medication and to provide feedback and resources. NCPA was very happy to see the release of this study from such an influential organization as NGA and will continue to work with state and national partners in achieving recognition of pharmacists as providers.

Medicare Updates Coverage Policy for Second Dose of Pneumococcal Vaccine

CMS recently informed Medicare Administrative Contractors (MACs) and providers about modifications to Medicare Part B coverage of pneumococcal vaccinations for adults 65 and older. Beginning Feb. 2, 2015, CMS will cover a second dose of pneumococcal vaccine to align with updated recommendations from CDC's Advisory Committee on Immunization Practices (ACIP). In September 2014, ACIP issued the recommendation to administer the recently FDA-approved 13-valent pneumococcal conjugate vaccine (PCV13, Prevnar13) in series with the existing 23-valent pneumococcal polysaccharide vaccine (PPSV23, Pneumovax23) in adults 65 years and older. Effective for service dates on or after Sept. 19, 2014, Medicare will cover:
• An initial pneumococcal vaccine to all Medicare beneficiaries who have never received the vaccine under Medicare Part B; and

• A different, second pneumococcal vaccine one year after the first vaccine was administered (that is, 11 full months have passed following the month in which the last pneumococcal vaccine was administered).

Note: CMS has advised that MACs will not search for and adjust any claims for pneumococcal vaccines and their administration, with dates of service on and after Sept. 19, 2014. However, they may adjust such claims that providers bring to their attention. Going forward, the coverage policy will take effect Feb. 2, 2015.

FDA Delays Enforcement of Track and Trace Transaction Requirements until May

On Dec. 24, 2014, the FDA issued a guidance document announcing that it will exercise its discretion not to enforce the product tracing requirements of the Drug Supply Chain Security Act (DSCSA) until May 1, 2015. The Guidance, entitled "DSCSA Implementation: Product Tracing Requirements" is being implemented immediately. Under the DSCSA, the product tracing requirements for manufacturers, wholesale distributors, and re-packagers were to take effect on Jan. 1, 2015. FDA exercised its enforcement discretion in the wake of concerns that some wholesalers would not meet the original Jan. 1 deadline, which would likely have caused some disruptions in the supply chain. The DSCSA requires dispensers to collect transaction information starting on July 1, and it's unclear at this time whether FDA will delay this requirement as well. The enforcement discretion does not apply to other requirements in the DSCSA that have already taken effect, such as trading partners having systems in place to verify suspect and illegitimate products, and that trading partners engage in transactions only with authorized trading partners.
NCPA Post-Election Update Available

NCPA’s newsletter recapping the 2014 midterm elections and our political activities is now available. Some highlights:

- **Congressional Pharmacy Caucuses:** In 2014, NCPA worked with community pharmacy champions, Sens. Jerry Moran (R-Kan.) and Jon Tester (D-Mont.) in the U.S. Senate and Reps. Austin Scott (R-Ga.) and Peter Welch (D-Vt.) in the House as respective Co-Chairs of the Congressional Pharmacy Caucuses. Both caucuses are critical to advancing legislative priorities for community pharmacies. The efforts of the caucuses extend beyond pushing for passage of legislation to include educating their colleagues and the public about value of community pharmacies to our health care system. The caucuses host briefings for Capitol Hill staff and will continue to raise awareness of important issues for community pharmacies and their patients.

- **Analysis of 2014 Midterm Elections**
  - **U.S. Senate:** Republicans picked up nine seats to win control of the Senate. Republicans defeated five incumbents, including long-time pharmacy champions Mark Pryor in Arkansas and Kay Hagan in North Carolina. Pro-pharmacy Rep. Shelley Moore Capito (R) won an open seat in West Virginia. In Iowa, state Sen. Joni Ernst won a brutally competitive open-seat race to pad the GOP’s new majority by defeating Rep. Bruce Braley (D), a strong supporter of many NCPA-backed bills.
U.S. House of Representatives: By all measures, Republicans enjoyed historic gains exceeding pre-election expectations in House races across the country. The Republicans picked up 13 seats, giving them 247 of the House’s 435 seats, the GOP’s largest delegation since 1931, when Herbert Hoover was President. Pharmacy champions Reps. Doug Collins (R-Ga.), Morgan Griffith (R-Va.), Ruben Hinojosa (D-Texas), Dave Loebsack (D-Iowa), Cathy McMorris Rodgers (R-Wash.), Austin Scott (R-Ga.), and Peter Welch (D-Vt.) all won re-election.

Senate Key Committees

Finance: Sen. Orrin Hatch (R-Utah) will become Chairman of the Senate Finance Committee and Sen. Ron Wyden (D-Ore.) will be the Ranking Democrat. Republicans have announced three additions to the committee: Sens. Dan Coats (R-Ind.), Dean Heller (R-N.V.), and Tim Scott (R-S.C.).

HELP: Sen. Mike Enzi (R-Wyo.) will become Chairman of the Senate Health, Education, Labor and Pensions (HELP) Committee (with jurisdiction over the Food and Drug Administration, including pharmacy supply chain security and compounding) and with the retirement of Sen.
Tom Harkin (D-Iowa); Sen. Patty Murray (D-Wash.) will serve as the Ranking Democrat. Republicans have announced three additions to the committee: Sens. Bill Cassidy (R-La.), Susan Collins (R-Maine), and Pat Roberts (R-Kan.).

**House Key Committees**

- **Energy and Commerce Committee:** Rep. Fred Upton (R-Mich.) remains Chairman, and with the retirement of Rep. Henry Waxman (D-Calif.), Rep. Frank Pallone (D-N.J.) will now serve as Ranking Democrat. This key committee oversees the Department of Health and Human Services, the Federal Trade Commission, and the FDA. Republicans have announced seven additions to the committee: Reps. Susan Brooks (R-Ind.), Larry Bucshon (R-Ind.), Chris Collins (R-N.Y.), Kevin Cramer (R-N.D.), Bill Flores (R-Texas), Richard Hudson (R-N.C.), and Markwayne Mullin (R-Okla.). Democrats have announced five additions to the Committee: Reps. Tony Cardenas (D-Calif.), Yvette Clark (D-N.Y.), Joe Kennedy (D-Mass.), Dave Loebsack (D-Iowa), and Kurt Schrader (D-Ore.).

- **House Ways and Means Committee:** With the retirement of Rep. Dave Camp (R-Mich.),
Rep. Paul Ryan (R-Wis.) will serve as Chairman and Rep. Sander Levin (D-Mich.) will remain the Ranking Democrat. Republicans have announced four additions to the committee: Reps. George Holding (R-N.C.), Pat Meehan (R-Pa.), Kristi Noem (R-S.D.), and Jason Smith (R-Mo.). Democrats have announced there will be no changes to the committee roster.