

August 7, 2014

The Honorable Ron Wyden
Senate Finance Committee
Washington, DC 20510

The Honorable Orrin Hatch
Senate Finance Committee
Washington, DC 20510

Dear Chairman Wyden and Ranking Member Hatch:

As you both travel around your states over the August Congressional Work Period we write to respectfully request that your committee continues to carefully examine Medicare Part D Preferred Pharmacy Networks. We will be asking all of our members to contact their Senators over the work period and encourage him or her to introduce legislation that would allow community pharmacists to serve their patients by participating in these networks.

As you know these networks have greatly expanded over the last four years and independent community pharmacists have been blocked from participating. Most stakeholders would agree that Part D has been a success but with any law comes unintended consequences and we know that Congress did not intend to create access problems or limit choice for Medicare patients who depend on the face-to-face counseling services that independent pharmacies have offered them for many years.

In January, CMS released a proposed Part D Rule that included findings on preferred networks, stating that “Any Willing Pharmacy” should be able to participate if they can meet the terms and conditions that other preferred pharmacies agree to. *CMS also found that in some cases preferred networks were not even saving the federal government money.*

Unfortunately, the CMS proposed rule was quite expansive and included many other provisions not related to retail pharmacy that drew broad opposition from a large group of industry stakeholders and many in Congress. On March 10th CMS announced they would not finalize several of the provisions in the rule, including their proposal on preferred networks. We were obviously disappointed with this decision, and believe it is time for Congress to closely examine the Part D Preferred Pharmacy Network problems that exist.

It is important to note that in its final rule that was released May 19th, CMS stated their concerns with preferred networks. *“We agree with many of the commenters who wrote that beneficiaries should be able to choose where they obtain their pharmacy services, and we are very concerned to hear that the current incentives (and potentially current marketing of pharmacies offering preferred cost sharing) lead many beneficiaries to believe that only those pharmacies offering preferred cost sharing can be used. We are also very concerned by the many comments reporting that beneficiaries are now driving 30 – 60 miles to the nearest pharmacy offering preferred cost sharing, or are feeling forced into using mail-order services, despite a preference to stay with a local pharmacy.”*

In conclusion, we respectfully request that you schedule an oversight hearing after the Congressional Work Period has concluded to examine ways to ensure that small business owner pharmacies have the

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same opportunities to compete in the Medicare Part D program as do larger, corporate pharmacies. We very much appreciate your leadership to the Senate Finance Committee and your consideration of our request. We hope that you both have a productive work period back home.

Sincerely,

A handwritten signature in black ink, appearing to read "B. Douglas Hoey". The signature is fluid and cursive, with the first name "B." and last name "Hoey" clearly distinguishable.

B. Douglas Hoey, R.Ph., M.B.A
NCPA Chief Executive Officer