NCPA policy considerations regarding President Trump's blueprint and HHS' RFI

President Trump's recent announcement to lower drug prices and reduce out-of-pocket costs is a welcomed move for community pharmacists struggling to run their small businesses and provide the best level of care to patients with skyrocketing drug costs. The following is a high-level analysis of the main issues addressed in the President's blueprint and HHS' request for information (RFI) that are important to community pharmacy.

Addressing DIR fees

The President's blueprint and HHS' RFI outline the administration's intent to address manufacturer rebates head-on through recommending that contracts be based only on a fixed price for a drug over a contract term, which would effectively take away incentives for PBMs to make more money. NCPA has long advocated that in addition to manufacturer rebates, this administration should focus on retroactive pharmacy price concessions (aka pharmacy DIR fees), a type of direct and indirect remuneration (DIR) plaguing patient cost-sharing at point of sale in the Medicare Part D program. The blueprint and RFI highlighted HHS' recent RFI on pharmacy price concessions included in the 2019 Part D rule. NCPA continues to support moving away from the current retroactive application of pharmacy DIR fees as a means to save pharmacies, patients, and the government money. In light of the blueprint and RFI's recent signaling, NCPA also advocates for the complete elimination of pharmacy DIR fees, as the blueprint contemplates the complete elimination of manufacturer rebates.

Fiduciary status for PBMs

NCPA has been a continuous voice for pharmacies and patients to shed light on PBM's opaque business practices. For example, many PBMs own mail order facilities and steer patients to participate in mail order programs in lieu of traditional retail pharmacies. This is done regardless of whether mail order programs are appropriate for a particular patient. These mail order programs also incentivize PBMs to send high volumes of unwanted medications to patients as a means to frequently bill insurance companies. This administration is taking note of PBM practices. The blueprint and RFI consider requiring PBMs to act in the best interests of payers and also questions how PBM practices impact patients. NCPA has long supported requiring more regulation of PBMs including acting as a fiduciary.

Gag clauses

The blueprint and RFI calls for immediate action to prohibit "gag clauses" in Part D contracts. NCPA has long warned that under some contracts, pharmacists have been unable to inform patients of lower-cost alternatives due to overbroad confidentiality clauses and the pharmacist's inability to disclose the negotiated price to patients in Part D. NCPA supports total discretion for pharmacists to let their patients know the lowest-price option both with and without insurance.

100 Daingerfield Road
Alexandria, VA 22314-2888
(703) 683-8200 PHONE
(703) 683-3619 FAX