NCPA IN ACTION

A New Resource for Explaining Often Inexplicable PBM Tactics

It's sometimes difficult for community pharmacists to make lawmakers and policymakers grasp the usually hidden, always problematic role PBMs play in the rising cost of prescription drugs. To continue helping, NCPA has supplemented and updated some of its newest educational tools.

New is a short video (less than three minutes) based on *The PBM Story: What They Say, What They Do, and What Can Be Done About It.* Go to www.ncpanet.org/pbmstory to view or download it. If you can, play it in your waiting area.

The video is meant to complement the print version of *The PBM Story,* which is available for download in either 6-page or 12-page formats also on NCPA's website.

Other helpful tools from the NCPA Advocacy Center include:

- How Retroactive Pharmacy DIR Fees Hurt Medicare Patients & Taxpayers—a one page infographic (updated).
- How Pharmacy DIR Fees Work—a one page infographic.

Stateside

Welcome to the (Legislative) Hotel California

Last November, California voters defeated a ballot referendum that would have stopped the state from paying more than the Veterans Administration does for prescription drugs. Drug manufacturers spent some $100 million to defeat it. (The state's annual drug bill is about $4 billion.)

Pivot to this year and the legislature is a considering a different strategy—a pricing transparency measure. Prescription drug makers would have to give advance notice of planned large price hikes and detailed justifications explaining why the prices are going up. Drug makers don't like this approach either, but NCPA and the California Pharmacists Association do.

Opponents of the repeated efforts to shine more light on drug pricing must feel like they're living in the "Hotel California…**You can check out any time you like, but you can never leave!**"

California lawmakers also have a bill before them that would require PBMs to register in the state and disclose drug acquisition costs, rebates, and DIR fees. "**What a nice surprise (what a nice surprise), bring your alibis,**" as the Eagles also sing.

If that's not enough to shake up health care in the Golden State (and beyond), there is legislation pending that would require a single payer insurance system. "**This could be Heaven or this could be Hell.**"

PRO OR CON:
Limit Some Opioid Prescriptions to Seven Days With No Refills?

Sens. Kirsten Gillibrand (D-N.Y.) and John McCain (R-Ariz.) are cosponsoring legislation that would require medical professionals to certify, as part of their registration with the Drug Enforcement Administration, that they won't prescribe an opioid as an initial treatment for acute pain in an amount that exceeds a seven-day supply and won't provide a refill. This limit would not apply to cases of chronic pain; pain being treated as part of cancer care, hospice, or other end-of-life care; or pain treated as part of palliative care. NCPA staff is reviewing the bill, S. 892, to determine the potential impact on community pharmacists and the patients they serve.

Five Results from the Congressional Pharmacy Fly-In

- Community pharmacists visited more than 250 Congressional offices for meetings with members of Congress or staffers; because many of those meetings were attended by multiple pharmacists, the effect amounts to more than 600 interactions with members of Congress or their staffs during the two-day event.
- A week after the Fly-In, more than 25 new cosponsors had been added to community pharmacy priority legislation. Face-to-face meetings matter.
- NCPA's new policymaker-focused resource, *The PBM Story: What They Say, What They Do, and What Can Be Done About It,* has been downloaded nearly 1,000 times as of press time.
- Morning radio spots were placed on WAMU, the Washington D.C. area's highest rated radio station.
- An op-ed from NCPA CEO B. Douglas Hoey about escalating drug prices published by *The Hill* on the eve of the Fly-In received 176 Facebook shares. *The Hill* is one of the most-read publications among members of Congress and their staffs. In the piece, Hoey outlined the goals of the Fly-In, which included sharing with members of Congress an agenda for policy fixes that will bring greater transparency to drug pricing, greater accountability from middlemen, greater and more convenient medication access for our patients, and greater health outcomes overall.

Griffith Speaks Out For Transparency

Rep. Morgan Griffith (R-Va.), an original sponsor of H.R. 1038, the Improving Transparency and Accuracy in Medicare Part D Drug Spending Act, says it's unfair to pharmacists when they get a dispensing cost for a drug, only to find that a few weeks later that price has increased and the pharmacy is expected to make up the difference.

"It's kind of like going to your hometown gas station, and you fill up your tank and it's $2.29 per gallon," Griffith says. "And then the next time you show up they say, 'By the way, the price is now $2.45, but we're also going to charge you the extra for the tank that you filled up on last week as well.' That's tough enough, but when they change the price after you have filled the prescription, you can't go back to your customer and say, 'Oh by the way, Mrs. Smith, that drug we gave you last week, well they raised the price after you left, and we have to charge you an extra $30.' Mrs. Smith isn't going to put up with that, nor should she have to do so. I think it's a bill about fairness and making sure pharmacies are being treated fairly."

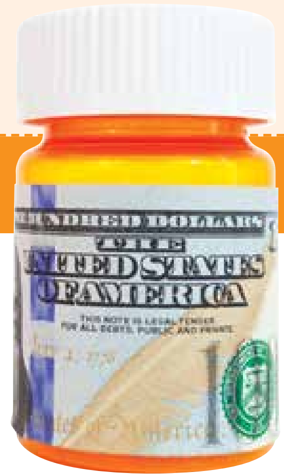
Griffith comments came during a media briefing as part of NCPA's Congressional Pharmacy Fly-In held in late April in Washington, D.C.

Hands-On Steering to Head in the Right Direction

NCPA's Steering Committee Forum, an annual gathering that helps NCPA keep in touch with members' needs, concerns, ideas, and suggestions, was held April 25–26. This year there are eight committees populated with pharmacists from 30 states: Changemakers Task Force; Compounding; Emerging Models; Long-Term Care; Management; National Legislation; State Legislation & Regulation; and Technology.

The Emerging Models Committee, for example, discussed such forward-looking topics as enhanced service networks, transitions of care business models, pharmacists' role in telepharmacy, and medical marijuana considerations. Some of the committees' topics were exactly as you would expect, addressing legislative remedies for such PBM problems as DIR fees, MAC transparency, and pharmacy choice, as well as track-and-trace implementation, onerous federal compounding requirements, and provider status under Medicare Part B.

Special Is as Special Does— Specialty Drugs Deserve a Special Dispensing Fee



NCPA and two other pharmacy groups are seeking an urgent meeting with the Centers for Medicare & Medicaid Services because of concerns that states may not fully cover the cost of acquiring and dispensing Medicaid specialty drugs.

The few states that have collected data found there was a "significantly higher cost of dispensing specialty drugs as compared to traditional prescription drugs," NCPA, the National Association of Chain Drug Stores, and the National Association of Specialty Pharmacy have told CMS.

The cost of dispensing specialty drugs per prescription, according to the few state studies available, ranged from $92.54 (Michigan) and $104.03 (Wisconsin) to $175.31 (Ohio).

Required Reading…

"PBMs serve as the middlemen in drug pricing system, by making deals with manufacturers and pharmacies. Their impact on our drug pricing system is enormous, in fact the three largest PBMs control an astounding 75-85 percent of the market and have upwards of $250 billion in estimated revenues. These companies are powerful forces in prescription negotiation but their reach is often obscured by a lack of transparency."

PBM Stranglehold on Prescription Drug Market Demands Reform, *The Hill, May 2, 2017*

"Additionally, their near monopoly position enables PBMs to charge high and retrospective fees. The retrospective fees, such as the direct and indirect remuneration fees (DIR), are particularly problematic as they 'claw back' revenues from pharmacies based on sales that were made months earlier. Consequently, unlike a typical transaction, many pharmacies will not know how much revenue they earned from the sale of a drug until months after the transaction has been completed."

It's Time to Switch Our Pharmacy Benefit Manager, *Forbes, May 9, 2017*

"A study from The Pacific Research Institute criticizes the role of Pharmacy Benefit Managers (PBMs) in the American healthcare system. It finds that PBMs provide incentives for higher list prices for drugs that come with large rebates and discounts, and that they result in patients having to pay more through co-pays. The report contends that PBMs have an "undue influence" over the medicines that are available to patients."

Pharmacy Benefit Managers Have 'Undue Influence' on Healthcare, Report Finds, *The Pharma Letter, May 11, 2017*

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