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BACKGROUND AND OBJECTIVES

- Maximum Fair Prices (MFPs) for the first 10 and next 15 drugs selected for the Inflation Reduction Act’s Drug Price Negotiation Program (DPNP) go into effect in 2026 and 2027, respectively.
- Many independent pharmacies (86%) report they may not or will not stock the drugs amidst cash flow concerns under MFP effectuation.¹
- This study **describes characteristics of Medicare Part D patients whose pharmacy accessibility (via travel distance) and choice may change if pharmacies do not stock DPNP-selected drugs.**

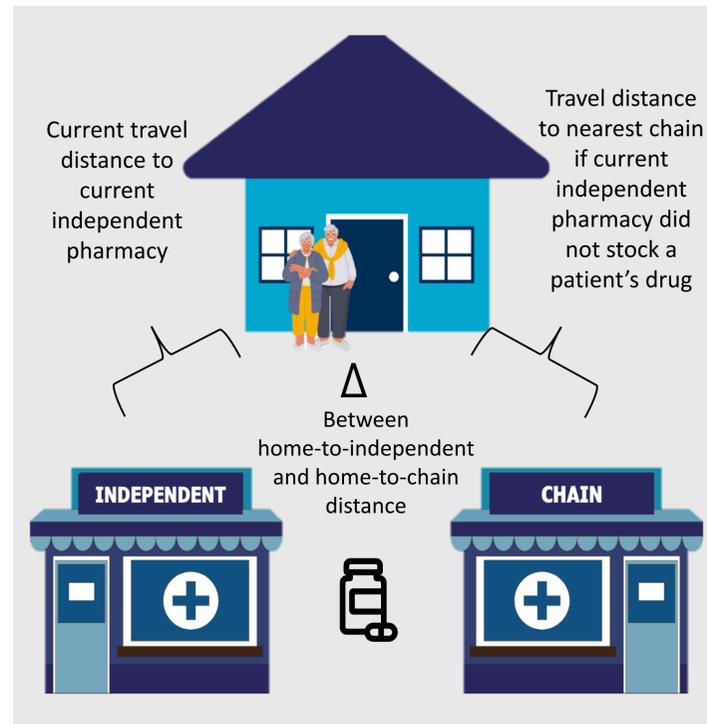
METHODS

- Patients and pharmacies were identified using,
 - Medicare Part D enrollment data
 - 100% Medicare Part D Event data
 - National Council for Prescription Drug Program (NCPDP) pharmacy data
- Patients had at least one fill of a DPNP-selected drug (Initial Price Applicability Year [IPAY] 2026 or 2027) at an independent pharmacy in 2023.
- Geodetic distances were calculated from the zip code centroid of each patient’s home to the zip code centroids of their most used independent pharmacy and nearest chain pharmacy (**Figure 1**).
- Patients for whom the two pharmacies were in the same zip code were excluded.
- Patients in two subgroups were included:
 - (1) nearest **chain pharmacy is further** from home than their independent pharmacy
 - (2) nearest **chain pharmacy is closer** to home

If Medicare Part D enrollees cannot fill DPNP-selected drugs at independent pharmacies due to IRA MFP effectuation, patients may experience increased travel burden and decreased choice. This could worsen health disparities.

METHODS, CONT.

Figure 1. Calculation of Travel Distances to Patients’ Independent Pharmacies and their Nearest Chain Pharmacies.



- Patient demographics were described by subgroup.
- For patients whose nearest chain pharmacy is further from home than their independent pharmacy, median changes in travel distance if DPNP-selected drugs are not available at independent pharmacies were calculated.

RESULTS

Table 1. Characteristics of Medicare Part D Patients Filling IPAY 2026/2027 Drugs At Independent Pharmacies, 2023

	Chain is Further n = 258,046		Chain is Closer n = 1,018,066	
Female (n, %)	137,326	53.2%	557,352	54.7%
Low-Income Subsidy (n, %)	118,082	45.8%	620,066	60.9%
Race/Ethnicity (n, %)				
Non-Hispanic White	209,838	81.3%	567,650	55.8%
Black (or African-American)	25,206	9.8%	158,052	15.5%
Asian/Pacific Islander	3,621	1.4%	98,476	9.7%
Hispanic	13,761	5.3%	159,770	15.7%
Native American or Alaskan	1,360	0.5%	3,221	0.3%
Other/Unknown	4,260	1.7%	30,897	3.0%
Geographic Location (n, %)				
Northeast	34,364	13.3%	267,528	26.3%
South	119,851	46.4%	399,060	39.2%
West	30,435	11.8%	161,044	15.8%
Mid-West	73,396	28.4%	190,434	18.7%
Urbanicity (n, %)				
Metropolitan	107,514	41.7%	864,438	84.9%
Micropolitan	31,407	12.2%	78,004	7.7%
Small Town & Rural	119,125	46.2%	75,624	7.4%
Distance from home to current independent pharmacy (mi)	0.0 (0.0, 0.0)		7.5 (3.5, 17.2)	



Figure 2. Additional Travel Distance (in miles) for Patients Whose Nearest Chain Pharmacy is Further from Home than Their Independent Pharmacy, by Urbanicity.

RESULTS

- Many enrollees, often residing in small towns or rural areas (46.2%), use independent pharmacies that are the closest pharmacies to their homes.
- These enrollees would have to travel a median of 9.7 miles further to use a chain pharmacy if their independent pharmacy did not stock DPNP-selected drug(s) (**Figure 2**).
- Many others, disproportionately Black (15.5%), Hispanic (15.7%), receiving low-income subsidy (60.9%), and residing in metropolitan areas (84.9%), use an independent pharmacy further from home than the nearest chain pharmacy.

DISCUSSION AND CONCLUSION

- These findings suggest a broad and diverse potential impact of MFP effectuation on Medicare enrollees if independent pharmacies do not stock the drugs, including:
 - Increased travel burden for some patients
 - Decreased choice for others who choose to travel further to an independent pharmacy.
- Loss of access to DPNP-selected drugs at independent pharmacies may exacerbate existing rural-urban and income-related disparities.
- These findings underscore the need for CMS to partner with independent pharmacies and plan sponsors to ensure patient access and choice are not disrupted amidst MFP effectuation.

REFERENCE

1. NCPA Report for Medicare Drug Price Negotiation Program and Financial Health of Pharmacy. Sept 2025. [LINK](#).