

H.R. 793

Ensuring Seniors Access to Local Pharmacies Act of 2015

H.R. 793 was introduced by Reps. Morgan Griffith (R-VA-9) and Peter Welch (D-VT-At Large) on February 5th, 2015. The bill would allow community pharmacies that are located in medically underserved areas (MUAs), medically underserved populations (MUPs), or health professional shortage areas (HPSAs) to participate in Medicare Part D preferred pharmacy networks so long as they are willing to accept the contract terms and conditions that other in-network providers operate under.

Last Congress, this bipartisan legislation garnered 80 cosponsors: 43 Republicans and 37 Democrats. (Numbered H.R. 4577 in the 113th Congress).

HOW SENIORS ARE DENIED ACCESS AND SMALL BUSINESS IS BOXED OUT

Currently, many Medicare beneficiaries are effectively told by insurance middlemen (pharmacy benefit managers or PBMs) which pharmacy to use based on exclusionary arrangements between PBMs and, for the most part, Big Box pharmacies. Patients must pay higher copays if their pharmacy of choice is excluded from the preferred network. The majority of the time, the pharmacy is never given the opportunity to participate in the network in the first place.

Preferred networks were originally created to foster fair and increased competition, as well as save the federal government money. However, PBMs have refused to make their contracts transparent or public. Even in the taxpayer-funded Medicare Part D program, the federal government is left with just the assurance that these drug middlemen are saving beneficiaries and taxpayers money, rather than actual proof of savings.

EVEN MEDICARE QUESTIONS PREFERRED NETWORK SAVINGS

After conducting a recent study, Medicare officials concluded that even with the PBMs' use of arbitrary and exclusionary pharmacy network contracting tactics, Medicare can no longer assume that preferred networks are less expensive for the government. They identified instances where such networks were **in fact costlier to the program**.¹ Moreover, a leading health care economist has demonstrated how allowing the participation of "any willing pharmacy" as a "preferred pharmacy" can actually lower Medicare costs by increasing competition.²

A SOLUTION FOR THE UNDERSERVED

H.R. 793 seeks to offer access to lower drug copays and healthcare services provided by local, community pharmacists to those seniors who need it most: the ones located in regions of the country that the Health Resources and Services Administration (HRSA) has defined as primary care physician shortage areas. A recent Medicare study found that in urban areas more than half of "preferred" pharmacy drug plans (54 percent) failed to meet the government's threshold for reasonable access to pharmacies.³ And in rural America, the closest "preferred" pharmacy can often be 20 miles or more away.

¹ Centers for Medicare and Medicaid Services. "Part D Claim Analysis: Negotiated Pricing Between Preferred and Non-Preferred Pharmacy Networks." April 30, 2103.

² Eisenstadt, David M. "How H.R. 4577's Any Willing Pharmacy Provision Could Leave Drug Prices Unchanged." August 6, 2014.

³ Centers for Medicare and Medicaid Services. "Convenient Access To Retail Pharmacies – Analysis of Preferred Cost-Sharing Pharmacy Networks." December 16, 2014.