

Talking Points on Fair Reimbursement

DIR Fees

Direct and Indirect Remuneration (DIR) fees are a mechanism regulated by CMS which allows Part D plans to charge a per prescription fee to pharmacies. Plans are increasingly expanding the use of these fees as alternative means of extracting price concessions outside the time of adjudication. These fees can take many forms, such as a fee tied to specific performance metrics (e.g. generic dispensing rates); fees to be part of a preferred cost share pharmacy network; or to reconcile point-of-sale reimbursement with contracted rates. Some DIR fees are not negotiable. Additionally, DIR fees are deducted post adjudication from each paid claim; they do not show on the adjudicated response. When Part D plans do this, the price of the prescription can appear higher than the actuarial benefit, leaving patients with higher copays and cost sharing.

We are committed to fair, accurate, and timely reimbursement for its pharmacy partners. Delays or uncertainty in payments destabilizes the viability of pharmacies and patient access to life-saving medications. So called “Direct and Indirect Remuneration” (DIR) fees that are imposed by the Pharmacy Benefit Managers (PBMs) retroactively make it difficult for pharmacies to determine the actual reimbursement at the time of dispensing. That is why we support greater transparency on DIR fees and having them assessed at point of sale rather than retroactively.

Provider Status

Millions of Americans lack adequate access to primary health care; increased demand can exacerbate this problem. A fast growing senior population, increased diagnosis of chronic conditions, and a larger insured population through the Affordable Care Act are putting strains on our health system. Unfortunately, there are not enough providers to meet the demand needed to care for these individuals effectively. This is particularly problematic for patients living in medically under-served or health professional shortage areas. Pharmacists can help fill this void. However, Medicare does not reimburse pharmacists for providing Part B services even if they are permitted to provide such services under state scope of practice law.

We are committed to ensuring that patients have access to quality health care. Millions of Americans reside in rural or medically underserved areas, which can limit their ability to attain health services. Pharmacists have appropriate medical qualifications and routinely provide care to patients on a range of issues.

We support legislation that would grant pharmacists provider status under the Medicare program.

Fair Reimbursement

Supporting state and federal initiatives to ensure fair reimbursement is a priority. MAC lists differ from one payer to another, as there is no standardization in developing these lists. Updates to MAC lists do not always occur on a regular basis. These factors put a strain on pharmacy, which in turn can put patient access at serious risk.

We are committed to our pharmacy partners and supports efforts to ensure patients have access to medications prescribed by their health care provider. That is why we support fair reimbursement of generics when determining MAC pricing. Delays in adjusting MAC prices to reflect marketplace changes (e.g. generic inflation) often lead to pharmacists selling products at a loss. Selling products below acquisition cost threatens pharmacy viability and jeopardizes patients' ability to obtain life-saving medications.

Access to Patients

Patients, especially those located in medically underserved or health professional shortage areas, need access to pharmacies they trust. Patients who trust their pharmacists are more likely to adhere to their medication regimen, which improves health outcomes and health care costs. Limiting patients' pharmacy choice places them at a distinct disadvantage. Additionally, under the Affordable Care Act, current Medication Therapy Management (MTM) reimbursement requires that Medicare Part D beneficiaries: suffer from multiple chronic conditions; be prescribed multiple medications; and, meet a minimum annual prescription cost threshold of \$3,138. These restrictions can lead to sub-optimal utilization of MTM services and unnecessary health care costs. Increasing the number of pharmacies available to patients and broadening the scope of MTM services will enable pharmacies to improve patient access.

We recognize the important role pharmacists play in delivering essential health care to patients. Pharmacists are on the front line of our health care system, providing patient education, preventive care, testing, and other invaluable services that are vital to improving quality of care, while keeping health care expenditures low. Any willing pharmacy legislation and expanded Medication Therapy Management (MTM) services would enable patients to have increased access to high quality pharmacist health care.