

National Community Oncology Dispensing Association, Inc.

July 1, 2019

The Honorable Chuck Grassley
Chairman
Committee on Finance
135 Hart Senate Office Building
United States Senate
Washington, D.C. 20510

The Honorable Ron Wyden
Ranking Member
Committee on Finance
221 Dirksen Senate Office Building
United States Senate
Washington, D.C. 20510

Dear Chairman Grassley and Ranking Member Wyden:

We are writing today to advocate on behalf of cancer patients and pharmacy owners in support of the *Phair Pricing Act* (S.640), introduced by Sen. John Kennedy (R-LA), in the Senate Finance Committee's drug pricing package.

The *Phair Pricing Act* will address increasing pharmacy direct and indirect remuneration (DIR) fees, also known as pharmacy price concessions, in the Medicare Part D program. Pharmacy DIR fees are imposed by Part D plans and their pharmacy benefit managers (PBMs) on pharmacies for the prescription medications filled for Medicare beneficiaries. Often these fees are not assessed until months after the claim has been adjudicated which creates financial challenges for business owners. Without a clear expectation about these fees and when they will be applied, pharmacy owners are not able to properly budget and continue operating their business.

In a proposed rule last fall, the Centers for Medicare and Medicaid Services (CMS) detailed how the use of pharmacy DIR fees has grown 45,000 percent since 2010. This has resulted in increased beneficiary cost-sharing, making it harder for struggling beneficiaries to afford their medication and putting them at risk for reduced medication adherence and poorer health outcomes. Cancer patients often feel the heaviest impact, as medications to treat cancer are expensive to begin with; the situation further complicates as these life-sustaining medications become unaffordable partly due to this lack of transparency around drug pricing. Costs are being shifted around in a manner that negatively impacts patients.

The *Phair Pricing Act* (S.640) would require that all pharmacy DIR fees be included at the point of sale and savings be passed along to beneficiaries, helping to lower their out of pockets costs. We ask you please consider pharmacy DIR reform and the include the *Phair Pricing Act* (S.640) in the Senate Finance Committee's drug pricing package.



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PASSION FOR PATIENTS

National Community Oncology Dispensing Association, Inc.
P.O. Box 468 Cazenovia NY 13035
a 501(c)(3) organization

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NCODA membership consists of 1300+ healthcare professionals who service cancer patients worldwide in over 400 different organizations and pharmacy businesses. On behalf of these members, thank you for considering inclusion of this bill to benefit patients living with cancer.

Regards,

The National Community Oncology Association, Inc. (NCODA).

cc: The Honorable Mitch McConnell, Senate Majority Leader
The Honorable Chuck Schumer, Senate Minority Leader
Congressman Earl Leroy "Buddy" Carter, U.S. Representative Georgia's 1st District
Congressman Chris Collins, U.S. Representative New York 27th District



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