May 10, 2017

The Honorable Mitch McConnell
Senate Majority Leader
S-230, U.S. Capitol
Washington, DC 20510

Dear Senator McConnell:

Following passage of the American Health Care Act (H.R. 1628) by the U.S. House of Representatives and as you consider how to proceed with replacement of the Affordable Care Act (ACA), the National Community Pharmacists Association (NCPA) would like to take this opportunity to provide you with the community pharmacists' perspective. In particular, we write regarding the need to retain several truly bipartisan provisions of the ACA, such as Sections 2503, 3109, 6005 and 10328, and related issues that should be addressed in any forthcoming health care reform legislation.

NCPA represents America's community pharmacists, including the owners of more than 22,000 independent community pharmacies. Together they represent an $81.5 billion health care marketplace and employ more than 250,000 individuals on a full or part-time basis. Independent community pharmacies are often located in underserved inner-city and rural areas. In fact, independent pharmacies represent 52 percent of all rural retail pharmacies and there are over 1,800 independent community pharmacies operating as the only retail pharmacy within their rural communities.[1] Community pharmacists are the most accessible and among the most trusted health care providers and work with patients to manage chronic health conditions and counsel them on proper use of medication.

Prescription drug coverage is an essential health benefit. Any meaningful drug coverage should include patient choice of pharmacy and access to face-to-face counseling with a community pharmacist they know and trust.

Prescription drug therapy is incredibly cost effective. It improves health outcomes and reduces much more expensive interventions, such as emergency room treatment, for patients with chronic conditions.

Independent community pharmacists, in particular, help achieve superior, cost-effective care by maximizing the appropriate use of prescription drugs (or "medication adherence"). It is estimated that up to $290 billion in annual health care expenses result from the lack of medication adherence. Research demonstrates that the leading predictor of medication adherence is a patient's connection to their pharmacist or pharmacy staff and that those ties are strongest at independent community pharmacies.[2]

[1] *Based upon NCPA analysis of National Council for Prescription Drug Programs (NCPDP) data, Rural Urban Commuting Area (RUCA) Codes, and 2000 U.S. Census data.*
[2] *Medication Adherence in America: A National Report Card, 2013, http://www.ncpanet.org/innovation-center/adherence-simplify-my-meds/simplify-my-meds/preview-of-simplify-my-meds-/medication-adherence-in-america-a-national-report-card*

100 Daingerfield Road
Alexandria, VA 22314-2888
(703) 683-8200 PHONE
(703) 683-3619 FAX

Patients must be able to choose a pharmacy that best meets their individual health needs. They should be able to use any community pharmacy that is willing to accept a health plan's contract terms and conditions, including pricing.

Any ACA replacement legislation should require prescription drug coverage in health care exchanges as well as Medicaid, and feature robust pharmacy networks that protect the patient's choice. Related, ACA implementing regulations should be retained to safeguard patients from mandates to utilize mail order pharmacies – often owned by the same pharmacy benefit manager (PBM) overseeing the drug plan.

Medicaid reforms must support patient access to medication and ensure reasonable pharmacy reimbursement that includes both a community pharmacy's medication acquisition and dispensing costs.

Bipartisan Senate efforts resulted in section 2503 of the ACA to recalculate Average Manufacturer Price (AMP) and its application to Medicaid pharmacy reimbursement. Subsequent regulations to implement this provision clarified that such reimbursement should include the cost of the medication as well as the cost of dispensing. Taken together, these policies helped ensure continued access to prescription drugs for Medicaid patients at community pharmacies.

Independent community pharmacies are the backbone of the Medicaid drug benefit. In fact, for the average independent community pharmacy, 17 percent of all prescription revenues are from Medicaid. In many underserved areas, these community pharmacies may be the only pharmacy around.

Related, NCPA has concerns that H.R. 1628, as currently structured and without additional legislative action, could potentially undermine patient access to prescription drugs and related pharmacy counseling. We appreciate Congress' interest to both enhance local control and contain costs in federal health care programs. At the same time, it is critical to ensure access to cost-effective prescription medication and pharmacy services.

Every day, our members see first-hand and try to address both the struggle that patients face in paying for their medication as well as the financial burden the federal government and states face in trying to provide for the needs of Medicaid patients. Pharmacists are ready to work constructively with Congress, HHS, and individual states to address these issues. We encourage you to ensure patient access to prescription drugs and pharmacy services in any ACA replacement package and to avoid policies that could inadvertently increase overall health care costs by stifling medication access.

Expand patient access to community pharmacists to help manage chronic conditions.

Any ACA replacement legislation should expand the pharmacist's role in the health care system. For example, the National Governors Association (NGA) has encouraged states to better integrate pharmacists into the health care delivery system based on the significant role pharmacists can play in helping patients manage chronic disease[3].

Section 10328 of the ACA enhanced Medicare Part D medication therapy management (MTM) programs, including an annual face-to-face comprehensive medication review (CRM). This benefit should be retained and expanded to further integrate pharmacists into the health care delivery team.

[3] *The Expanding Role of Pharmacists in a Transformed Health Care System*, 2015, https://www.nga.org/cms/home/news-room/news-releases/2015--news-releases/col2-content/states-look-to-expand-pharmacist.html

Greater oversight of, and transparency from, PBMs is critical in federal health care programs.

Prescription drug affordability and accessibility are a top concern and they cannot be meaningfully addressed without a close examination of PBMs and how they contribute to rising drug costs. Another bipartisan policy, section 6005 of the ACA, requires PBMs serving exchange plans and Part D to disclose to HHS basic, aggregated information about their operations.

These common-sense transparency provisions can help government entities better evaluate PBMs and protect taxpayer dollars. This section should be retained in any ACA replacement legislation.

Maintain regulatory relief for small business community pharmacies.

Finally, we believe Section 3109 of the ACA should also be included in replacement legislation. This provided an exemption from accreditation standards for pharmacies that derive less than five percent of their revenues from DMEPOS billings.

In conclusion, your legislative efforts carry major significance to millions of patients and the independent community pharmacists who serve them. We invite you or your staff to meet with NCPA members and staff at your earliest convenience to discuss these and other issues which are vital to the future of U.S. health care. Thank you for taking our views into consideration.

Sincerely,

B. Douglas Hoey, RPh, MBA
NCPA Chief Executive Officer

cc:
The Honorable John Cornyn
The Honorable John Thune
The Honorable John Barrasso
The Honorable Orrin Hatch
The Honorable Lamar Alexander
The Honorable Michael Enzi
The Honorable Tom Cotton
The Honorable Ted Cruz
The Honorable Cory Gardner
The Honorable Mike Lee
The Honorable Rob Portman
The Honorable Patrick Toomey