CMS’ suggestion in the recent Part D rule to potentially require that all pharmacy price concessions be reflected at point of sale received tremendous support from patient advocacy and health care provider organizations. A sampling of these supportive comments include:

**American Cancer Society Cancer Action Network**

ACS CAN also supports the approach that CMS has outlined to require that all price concessions from pharmacies be reflected in the negotiated price that is made available at the point of sale and is reported to CMS, even when the price concessions are contingent upon the performance of the pharmacy. As CMS describes, these price concessions that are obtained by the Part D sponsor or its Pharmacy Benefit Manager (PBM) currently do not benefit the beneficiary. In this context CMS notes that pharmacy price concessions, net of all pharmacy incentive payments, have grown faster than any other category of Direct and Indirect Remuneration (DIR) received by sponsors and PBMs. These concessions presently buy down a larger share of total Part D gross drug costs than ever before. Also, as with the manufacturer’s rebate, these price concessions are instead retained by the sponsor or PBM and the beneficiary is charged higher cost sharing at the point of sale than they would be if the concessions were reflected in the point of sale price. Also, as in the case with manufacturer’s rebates, price transparency is not achievable given the current manner in which these concessions are reported.

**Alliance for Retired Americans, AFSCME, Coalition of State Rheumatology Organizations, GIST Cancer Awareness, HealthHIV, National Multiple Sclerosis Society, National Organization for Rare Disorders, Patients for Affordable Drugs, The AIDS Institute**

CMS stated in the proposed rule that it was “considering requiring all, and not only a share of, pharmacy price concessions be included in the negotiated price in order to maximize the level of price transparency and consistency in the determination of negotiated prices and bids and meaningfully reduce the shifting of costs from sponsors to beneficiaries and taxpayers.” Currently there is no standard for reporting DIR to CMS. Some PDPs may include certain pharmacy price concessions in negotiated price, while others continue to report them as DIR. This makes it difficult for patients to accurately compare plans as to the true costs of their particular medications. Requiring all fees to be accounted for in negotiated price, as CMS is suggesting, would enhance the quality of information available to beneficiaries and provide them with a better understanding of how they will progress through the Medicare program based on their current medications.

…

We believe, overall, Medicare Part D has been successful in enhancing access to prescriptions for seniors. However, improvements can always be made. We believe accounting for all pharmacy fees in negotiated price is one such improvement that would strengthen the Part D program. We urge CMS to move swiftly to adopt such requirements.

**Alliance for Transparent and Affordable Prescriptions**

The current leeway given to PBMs on how to classify price concessions negatively affects the competitive balance in Part D. Some sponsors include price concessions in negotiated prices while others include them in DIR. When negotiated prices do not have a consistent meaning across the Part D program, beneficiaries cannot make educated choices when selecting a plan. The decision of how to treat price concessions may also provide a competitive advantage based on no substantive benefit to beneficiaries.

**American Academy of Allergy, Asthma and Immunology**

We have reviewed CMS’ policy considerations and urge the agency to move forward with a mandatory pass-through of 100% of price concessions at the point of sale. We understand that a pass-through policy would have a slight impact on premiums; however, that increase would be offset by significant savings at the point of sale. And, in our experience, what hinders patient access to their medicines the most is the price they pay at the pharmacy counter.

**Community Oncology Alliance**

COA strongly agrees with CMS’ proposal to require that all price concessions be reported and reflected in the negotiated price at the point-of-sale. COA agrees with CMS that this will allow for greater transparency and consistency in the reporting of pharmacy price concessions, and will provide greater clarity on what a provider can expect to be paid when dispensing a medication. Additionally, COA agrees that this will help to discourage the shifting of costs from sponsors and administrators to beneficiaries and taxpayers.