

IMPROVE THE PHARMACY PROVISIONS OF AMERICA'S AFFORDABLE HEALTH CHOICES ACT (H.R. 3200)

The National Community Pharmacists Association (NCPA), which represents the nation's independent community pharmacists, appreciates the opportunity to provide our views on several key pharmacy-related provisions in H.R. 3200:

Medicaid Pharmacy Reimbursement (AMP Fix): H.R. 3200 would: set generic reimbursement at 130% of the weighted average AMP – an increase from 250% of the lowest AMP; redefine AMP to correctly include manufacturers' sales to retail pharmacies only; and would post weighted average brand and generic AMP data on a public website.

***NCPA Position:** We believe these changes are a step in the right direction. However, we strongly urge that Congress consider a higher FUL reimbursement rate for generic medications as the legislative process moves forward. Under H.R. 3200, generics reimbursement would be at no more than 130% of weighted average AMP, combined with low dispensing fees paid by states, would negatively impact generic dispensing and reduce Medicaid patients' access to community pharmacies. We support H.R. 3700, The Fair Medicaid Drug Payment Act of 2007, which would have set the reimbursement rate for generics at 300% of a multiple source product's weighted average AMP.*

DMEPOS Accreditation and Surety Bond Requirements: H.R. 3200 would exempt pharmacies from the surety bond requirement and exempt pharmacies from accreditation process if they only supply diabetes test supplies, canes and crutches. It also includes an extension of the Oct 1st 2009 accreditation deadline for any Part B supplier of DMEPOS if they have submitted an application by August 1st, 2009.

***NCPA Position:** We are grateful for the inclusion of these provisions in the bill. We ask Congress to consider exempting from the accreditation requirements other non complex DMEPOS items commonly provided by pharmacies, including ostomy products, commodes, bedpans and urinals. NCPA also opposes the 0.5% payment reduction in DMEPOS that was included in the bill as a "pay for" for another Medicare item.*

Operation of Public Health Insurance Plan Option and PBM Transparency: Under H.R. 3200, payment rates for prescription drugs under the public plan would be negotiated by the Secretary. In addition, PBM transparency provisions were added by an amendment by Congressman Weiner that would require PBMs to disclose if they are pocketing any manufacturer rebates, discounts and price concessions that should be passed through to the plan sponsor *or* keeping part of the plan's payment to the PBM that should have gone to the pharmacist for dispensing the prescription.

***NCPA Position:** We remain concerned as this gives Secretary complete discretion to set reimbursements rates for prescription under the option. We recommend including language that clarifies the administration of drug benefits by a pharmacy benefits administrator (PBA) rather than a pharmacy benefits manager (PBA). We strongly support language by Congressman Weiner that would begin the process of creating transparency requirements for pharmacy benefit managers (PBMs). Also, we believe the inclusion of an "any willing provider" provision in the bill – similar to Medicare Part D and Medicaid – is beneficial so that any pharmacy that is willing to accept the payment rates can participate.*

Expansion of Pharmacist MTM Services: We support the bill's inclusion of non-physician practitioners – such as pharmacists – as part of the medical home concept in the delivery of MTM services.

***NCPA Position:** We support an amendment offered by Congressman Butterfield that would establish a grant program to test new and innovative methods to deliver medication therapy management services by pharmacists, especially in the treatment of chronic medical conditions.*

Secretary Negotiations for Part D Drug Prices: The intent of these provisions appears to be to provide the Secretary with the authority to negotiate lower prices directly with drug manufacturers for medications provided under Part D and the public plan. However, some of the language implies that negotiation could be directed at retail pharmacies.

***NCPA Position:** We ask for clarification that the intent of this language is to have the Secretary negotiate rebates, discounts and price concessions with pharmaceutical manufacturers, and not community pharmacies. This will mitigate the potential adverse consequences of such negotiations on beneficiaries' access to prescription drugs and pharmacy services.*

Requirements to Provide Health Insurance: Community pharmacies on average employ 13 people and the majority offer health insurance to their employees, even though they generally operate on a net 2 percent profit margin. Because we are concerned about any new requirements that mandate that employers provide health insurance to their employees, we support provisions in the bill that would provide credits through the tax code, at tiered levels based on annual payroll, that help small businesses defray the costs of providing health insurance coverage.

***NCPA Position:** The House Energy and Commerce bill includes a \$500,000 maximum payroll amount at which employers will begin to pay a penalty if they do not provide health insurance. We ask the Committees to include this amount in the final House bill when it is considered on the floor.*

Contact: NCPA Government Affairs, 703-683-8200