By Electronic Submission

January 16, 2018

Ms. Seema Verma
Administrator, Centers for Medicare & Medicaid Services
Centers for Medicare & Medicaid Services
7500 Security Boulevard C1-13-07
Baltimore, MD 21244

RE: CMS-4182-P—Medicare Program: Contract Year 2019 Policy and Technical Changes to the Medicare Advantage, Medicare Cost Plan, Medicare Fee-for-Service, the Medicare Prescription Drug Benefit Programs, and the PACE Program

Dear Administrator Verma:

As a practicing pharmacist and a community pharmacy owner, I appreciate the opportunity to comment on the Proposed Rule entitled "Medicare Program: Contract Year 2019 Policy and Technical Changes to the Medicare Advantage, Medicare Cost Plan, Medicare Fee-for-Service, the Medicare Prescription Drug Benefit Programs, and the PACE Program (the "2019 Proposed Rule"), which was published in the Federal Register on November 28, 2017.

I strongly support the comments submitted electronically from the National Community Pharmacists Association (NCPA). I urge you to consider their recommendations and comments as illustrative of current conditions our industry experiences as you finalize the proposed rule.

The Neighborhood Pharmacy of Del Ray is an award-winning, independently owned community pharmacy located in Alexandria, Virginia. Our pharmacy services a variety of patient populations including Medicare Part B, Part D and dual eligible (both Medicare and Medicaid) beneficiaries. From this perspective I would like to share with you with real world impacts of the proposed rule.

Below are real-life examples of the issues that NCPA addresses in their comments:

Price Concessions to Drug Prices at the Point-of-Sale

In our pharmacy, Medicare Part D Direct and Indirect Renumeration fees (DIR fees) are extremely difficult to track and it leads to lack of transparency for all involved. While our pharmacy has significantly fewer Medicare Part D beneficiaries than the average independent pharmacy (13 percent of total business as opposed to industry average of 48 percent) we are still negatively affected by the uncertainty of these fees. For 2017, we can only track DIR fees on 90 percent of our Part D claims. Of those 90 percent, DIR is applied different between the six Part D plans making forecasting difficult. Last year, we estimate that $9,982.16 (on 4135 claims) was adjusted post transaction in the form of DIR however that number could be as high as $14,781.80. It is my belief that in the average independent pharmacy with higher volume of Part D prescriptions, that uncertainty and financial impacts are much more pronounced.

I strongly agree with NCPA's position that DIR applied at point of transaction/sale would increase

transparency.

Any Willing Pharmacy Standard Terms and Conditions and Better-Defined Pharmacy Types/Definition of Mail Order Pharmacy

Our pharmacy has a long history of providing high quality customer service to Medicare Part D beneficiaries. Occasionally we provide local delivery or mailing services to our patients in greatest need in accordance with Virginia law. While this is a part of our business model, it should not classify us as a mail order pharmacy. While we have not been threatened by a PBM as of today, we have been hesitant to expand these services in fear of this outcome.

I am strongly supportive of the proposed definition of "mail order pharmacy" and underlying policy

Treatment of Accreditation and Other Similar Any Willing Pharmacy Requirements in Standard Terms and Conditions

Over the last eight years, I have observed that Part D PBMs and PBMs in general are narrowing the availability of high cost medications at retail, community pharmacies. Using the designation "specialty pharmacy," PBMs are referring beneficiaries to pharmacies oftentimes mail-based and sometimes plan-owned. While I understand that there are some medications that require extensive training and regulations in accordance with FDA requirements, plan determination seem to be cost focused rather than safety focused. For oral solid medications, these limits are particularly egregious. My education and continual professional development should render me qualified to dispense these medications. But too often, plans have decided that Part D beneficiaries are better served in a mail-based "specialty pharmacy" than in their community pharmacy where we have a professional, personal relationship, and the ability to answer questions face to face with patients and assess their condition.

I am pleased that CMS expects that Part D sponsors not limit dispensing of certain drugs to a subset of network pharmacies. I urge CMS to codify this expectation in the final rule.

Revisions to Communication/Marketing Materials and Activities

I am glad that CMS is looking at marketing by Part D plans. I have firsthand experience of beneficiaries' confusion related to "preferred pharmacies" and cobranding by Part D plans. It is not usual for beneficiaries to call me concerned after receiving one of these mailings that they will not be able to receive their prescriptions at my pharmacy. These communications are unnecessarily confusing and can cause great stress, especially in the elderly.

I agree with NCPA that CMS consider "marketing" as any communication that provides information about the plan or benefits.

Thank you for the opportunity to provide comments on the proposed rule. If you have any questions regarding these comments, please feel free to contact me at stacey@delraypharmacy.com or 703-836-1700

Sincerely,

Stacey Swartz, PharmD
Co-Owner/Pharmacist-in-Charge, Neighborhood Pharmacy of Del Ray
Member, Virginia State Board of Health