



January 16, 2018

Centers for Medicare and Medicaid Services
Department of Health and Human Services
Attention: CMS-2017-0156-0046
P.O. Box 8013
Baltimore, MD 21244-8013

Re: CMS-2017-0156-0046 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

To Whom It May Concern:

Michigan Pharmacists Association (MPA) thanks you for the opportunity to comment on the proposed modifications to the Medicare Part D program.

Currently, direct and indirect remuneration (DIR) fees are being retroactively assessed. For pharmacies, this is leading to uncertainty regarding what the net reimbursements will be for dispensing a medication. As the proposed rule suggests, MPA urges CMS to require all pharmacy DIR fees be reflected at the point-of-sale. This requirement would provide some predictability as to the minimum reimbursement amounts and better facilitate planning business operations for pharmacies. Moreover, CMS has determined that accounting for DIR fees at the point-of-sale would create significant net savings for Medicare beneficiaries. This would allow prescription medication to be more affordable. In addition to the benefits for pharmacies, pharmacy benefit managers (PBMs) and Part D plan sponsors would maintain the ability to create incentives to pharmacies that achieve performance-based metrics.

We also commend the proposed rule for creating a definition of mail-order pharmacy. Some pharmacies may need to mail a prescription to a patient who is temporarily out of town without being classified as a mail order pharmacy. When this is done, those pharmacies are putting themselves at risk of being classified as a mail-order pharmacy by some PBMs. That risk can still be present even if the patient is paying the retail, rather than the mail-order cost-sharing amount. When a pharmacy is inadvertently classified as mail-order, it can lead to them being removed from networks. By creating a definition for mail-order pharmacy, this will provide greater clarity and help pharmacy owners/operators make informed decisions when mailing medications.

Many independent pharmacies offer services such as compounding or care for patients on specialty medications in addition to their retail services. As a result of those additional services, PBMs want to exclude these pharmacies from participating in their base networks due to competition. The proposed rule would establish a date when the terms and conditions of the base network must be readily available and would require they be promptly provided at the request of a pharmacy. Thus the rule provides necessary clarifications to the "any willing pharmacy" provisions. While the proposed rule did not expand "any willing pharmacy" provisions to preferred pharmacy networks,

we are hopeful future rulemaking will address this. The proposed rule also reinforces existing "any willing pharmacy" regulations as they pertain to base pharmacy networks which MPA strongly supports.

To conclude, greater transparency for DIR fees will be advantageous for beneficiaries as well as pharmacies. Creating a sound definition of mail-order pharmacy and bringing greater clarity to the "any willing pharmacy" provisions of standard networks will improve the Medicare Part D program. These changes will provide greater pharmacy access to patients, and for those reasons, I urge that the rule be finalized with these proposed modifications.

MPA was established Nov. 14, 1883. MPA is the state professional society serving Michigan's pharmacists, pharmacy technicians and student pharmacists in all settings of practices. For more than 130 years, MPA has strived to provide its members with the tools, resources and support needed to advance the profession of pharmacy and provide quality patient care.

Sincerely,

A handwritten signature in cursive script, reading "Larry Wagenknecht". The ink is dark and the signature is fluid, with a prominent loop at the end of the last name.

Larry Wagenknecht, Pharmacist
Chief Executive Officer
Michigan Pharmacists Association