

January 16, 2018

The Honorable Seema Verma
Administrator
Centers for Medicare & Medicaid Services
U.S. Department of Health & Human Services
7500 Security Boulevard
Baltimore, MD 21244

Re: 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 (CMS-4182-P)

Dear Administrator Verma:

On behalf of Duran Central Pharmacy in Albuquerque, NM

I am pleased to submit comments and recommendations on the proposed rule, "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 (CMS-4182-P)."

Part D plan sponsors and Pharmacy Benefit Managers (PBMs) extract DIR (Direct and Indirect Remuneration) fees from community pharmacies. Nearly all pharmacy DIR fees are clawed back retroactively months later rather than deducted from claims on a real-time basis. This reimbursement uncertainty makes it extremely difficult for community pharmacists to operate their small businesses. The current DIR model may also increase costs to patients at the point of sale and ultimately increase cost to CMS as patients enter the "donut hole" and catastrophic phases of coverage.

We are a retail business. This model is contrary to conducting business in a healthy and sustainable manner. The transaction needs to be complete at the time of claims transmittal. Financial statements are done monthly. Budgets, projections, and cash flow must be determined and based on completed transactions. Transactions must be completed in real time. Clawbacks are unheard of in the retail business! There must be a stop to this!

Independent retail pharmacies are a backbone in every community. Small businesses are important in today's world and particularly in the healthcare arena. Healthcare is reaching a critical state! PBM transparency is crucial! Reimbursements must be fair and ethical! All PBM practices must be scrutinized carefully!

Patient access is essential and is becoming increasingly a problem due to the current practices of the PBMs. Beneficiaries are reaching their donut hole quicker and quicker due to these unethical practices, and are, in turn, causing a greater burden on the healthcare system. Decreased wellness leads to catastrophic events and catastrophic costs!

I write to voice my organization's strong support for the proposed change to require that all pharmacy price concessions be reflected in the negotiated price at the point of sale. This approach will bring much needed transparency, improve the predictability of business operations for community pharmacists, and most importantly, lead to significant beneficiary savings.

Thank you for your consideration.

Sincerely,

Mona Ghattas

President

Duran Central Pharmacy