NCPA DIR Survey Profile

Part D patients comprise a significant portion of community pharmacists' patient base. According to the most recent NCPA Digest benchmarking survey, the mean percentage of total prescriptions dispensed under Medicare Part D by respondents is 36%. The NCPA Digest also reports that the mean total number of Part D prescription filled by a community pharmacy in the past year was 21,508 prescriptions.

A December 2017 survey of members of the National Community Pharmacists Association – independent pharmacy owners – provided the following data on the effects of Medicare Part D direct and indirect remuneration fees on community pharmacies across the country:

• A majority of pharmacy owners say unpredictable DIR fees are hindering their ability to manage the business operations of their pharmacy.

- 78% cite unpredictable cash flows
- 75% cite inability to predict operating revenue
- 84% cite inability to plan for the future of the business

• A majority of pharmacy owners say DIR fees are hindering patient access to prescription medications.

- 69% cite inflated cost-sharing levels, thus increasing their patients' True Retail Out-of-Pocket amount.
- 87% cite patients reaching the Part D coverage gap more quickly, where they have higher out-of-pocket costs

• 84% of community pharmacy owners say they NEVER know at point-of-sale what their final reimbursement will be when serving a Medicare Part D patient.

• It frequently takes months for pharmacy owners to learn their final reimbursement amount. When serving a Medicare Part D patient, 77% of respondents say it normally takes 4-12 months before they learn their final reimbursement.

• DIR charges are not consistently itemized to prescription claims, making it difficult for pharmacy owners to trace DIR fees to specific claims. 35% of respondents say DIR fees are NEVER itemized to specific claims. Another 45% of respondents say DIR fees are itemized to specific claims less than 25% of the time.

• PBMs often say DIR fees are linked to patient outcomes and pharmacy quality, but they are not sharing that outcomes data with pharmacy owners. 82% of pharmacy owners say they NEVER receive information relating the DIR fees they are charged to specific patient outcomes or quality measures.

• After reconciliation, pharmacy owners often find that the reimbursement they receive is less than the pharmacy's dispensing costs (acquisition plus cost to dispense).

- 36% say reimbursement is less than costs more than 50% of the time
- 60% say reimbursement is less than costs 25-50% of the time

SELECT EXAMPLES CITED BY RESPONDENTS:

• How pharmacy retroactive DIRs fees are affecting patients

- Patient refused to take Tetracycline for C. difficile infection due to high co-pay
- Patient unable to pay co-pay while in doughnut hole refuse to take the drug

• Reimbursements leaving pharmacies upside-down

- 10/27/17 rx for Oxymorphone ER 30mg tabs; #60 tabs: Acquisition cost $262.34; Third Party $399.94: Copay $1.20; total reimbursement $401.14 DIR Fee $164.42 Net reimbursement $236.72 for a loss of $25.62
- 11/16/17 rx for Metformin ER 1000mg #60 tabs: acq cost $455.18; third party $530.25; copay $10.01: total reimbursement $540.26. DIR fee $281.01 New total reimbursement $259.25 ($195.93 below our acq)
- Dispensed a medication which cost $1992.45. At adjudication we were expecting total payment of $1902.75 for a net loss of $89.70. Was charged a post adjudication amount of $862.63 which equated to a net loss of $952.33.
- Dispensed a medication which cost $604.39. At adjudication we were expecting total payment of $669.41 for a net profit of $65.02. Was charged a post adjudication amount of $349.44 which equated to a net loss of $284.42.
- ENTACAPONE 200MG #120 TABS, Insurance + CoPay=$187.74 Less DIR Fees of $148.30: Total Paid $39.44, Medication Cost $207.84; Pharmacy Loss $168.40
- FILLED AN RX FOR TOTAL REIMBURSMENT OF $0.27(7 CENTS FOR THE DRUG AND 20 CENTS FOR THE FEE). LATER ON A DIR FEE OF $5.00 WAS ENACTED.
- FOR A GENERIC ADDERALL RX COSTING $367 IT WAS ADJUDICATED FOR $600. 90 DAYS LATER THEY THEY ENACTED A DIR ON THAT RX OF $542.

• How PBMs handle DIRs (name of PBM is redacted)

- [redacted] shows a high profit margin at POS then does the "true up" months later and reduces the payment to right below cost.
- [redacted]'s DIR fees based on factors we CANNOT control and you do not know for 6 months to a year what the recoupment is.
- [redacted] takes back either $8.50 or $9.50 on every Part D script even if we were reimbursed $2 or $3 for the script.
- [redacted] just takes a % per rx. About $1500 from Dec 2016 to Oct 2017...it has nothing to do with patient adherence or safety.
- [redacted] charges $5 for a DIR fee per claim even if drug cost 0.30 and copay was only $1.59
- I have only 4 [redacted] patients my estimated DIR fee for the coming year is over $2100

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