

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 Bear Lake Community Health Centers Pharmacies

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.

As a Community Health Center, we try to be aware of every penny spent in order to pass along savings to our patients. Retroactive fees make it very hard for us to know if we can afford to fill prescriptions for our patients.

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,

Melissa Duce

Pharmacy Director

Bear Lake Community Health Centers