# 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 Pratts Healthmart Pharmacy,

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.

It is already a difficult environment for small pharmacies to have the time and resources available to interpret and understand all of the misdirection and secrecy that PBM's and Part-D plans expose us to. It is impossible to calculate budget and cash flow when, due to DIR fees, the pharmacy cannot predict what their revenue/profit will be. We are literally flying blind. CMS must make the system more transparent and straightforward to help pharmacy know what monies to expect as final for any prescription.

We all realize PBM's keep things complicated and not transparent for a reason......to protect their profit. They are a business with shareholders to keep happy.

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,

Craig N Willimann R.Ph President

Pratts Healthmart Pharmacy