# 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 Buean Vista Drug

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.

In my business these DIR fees have had an impact on my cash flow by initiating fees that have been several thousands of dollars of last profit that at the point of sale I believed I was making. With the variability of the DIR fees in and between each PBM, being able to predict what my fees will be in the future is extremely difficult and makes a stressful and difficult environment to operate my business and help my 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,

Lucas Smith Owner/Manager Buena Vista Drug