# 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 Kenneth L. Corazza RPh., Small Pharmacy Business Owner

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.

The original purpose of DIR fee's, was to save the government money. I believe that due to the lack of transparency with the massive Pharmacy Benefit Manager, the only one seeing any benefit from DIR fee's are the PBMs. Most of these fee's are not even call DIR fee's when they are taken back month's later, which sounds like claw back to me.

It is my hope that you would take all of the comment's submitted into deep consideration. These what I feel are bogus antics by the big PBM's to disguise large profit's, in form of DIR fee's. This was never the intention when DIR fee's were first implemented.

Small pharmacy business are facing challenges which we have never faced before. Being an independent business owner, I am more able to assist the community which I live in, that larger box pharmacy cannot.

I look forward to effective, practical, changes to the methodology now being used concerning DIR fees.

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,

Kenneth L. Corazza RPh President

Medicine Chest Pharmacy