# 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 Ellensburg Downtown 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.

Are PBM's even needed? What are they doing for patients, health plans, or providers? It wasnt that long ago that there were no PBM's now there are and we are losing high quality independent pharmacies at an alarming rate due to the unjust business practices of PBM's. This lose is detrimental to patients quality of care available as well as it will increase total healthcare cost when these patients are not receiving quality care from a pharmacy that cares about them and end up with mismanaged medication regimens and disease states. Here is one point to consider: pharmacy benefit management has grown to be a multi million dollar business in a short amount of time, where is this money coming from? and how is it saving money for healthcare?

When it comes to DIR fees.... any thinking human can see that no business can be run if revenue is being clawed back months after payment. It is just ridiculous that something like this was ever allowed to begin and now that the repercussion are obvious it would be even worse to allow it to continue.

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,

Clinton Knight PharmD.

Doctor of Pharmacy

Ellensburg Downtown Pharmacy