# 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 Wenatchee Clinic 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.

Just this morning I received a fax indicating that Aetna's part D program will continue it's clawbacks for 2017 all the way into June. We will have money randomly disappearing with minimal warning because they determined we didn't meet some requirement.

My understanding of DIR fees is minimal but I am lead to believe that the PBM usage of DIR fees is not in-line with their intended purpose. I also understand that with the ongoing effort to encourage better quality of care with financial incentive, however we need to know our cash flow situation in a reasonable time frame.

The pharmacies that are more drastically affected by these fees are also the ones who are, generally, providing better quality of care for your 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, Ryan Murray Title

Wenatchee Clinic Pharmacy