January 11, 2018

Centers for Medicare & Medicaid Services

Department of Health and Human Services

Attention: CMS-4182-P

P.O. Box 8013

Baltimore, MD 21244-8013

To the Centers for Medicare & Medicaid Services:

I am writing to express my serious concerns with several provisions included in CMS’ proposed rulemaking titled: “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.”

As a pharmacist, I take great pride in helping to deliver needed prescription drugs safely and affordably to the patients I serve. If adopted, I am concerned that the proposed policies could increase costs for both beneficiaries and CMS, and negatively impact the quality of care provided while improperly rewarding pharmaceutical manufacturers—who bear the ultimate responsibility for setting drug costs. Specifically:

* According to the agency’s own estimates, requiring 100% of rebates to be passed through at the retail Point-of-Sale (POS) would—over the next 10 years—**increase government costs** up to $82.1 billion; **increase beneficiary premiums** up to $28.3 billion; and **provide a windfall to drug manufacturers** of up to $29.4 billion. This policy would also lead to significant adverse selection and increased premiums for all Medicare beneficiaries, *while reducing costs for only a few*.
* Requiring all pharmacy direct and indirect remuneration (DIR) be passed through to consumers at POS would **adversely impact beneficiaries** by curtailing a plan’s ability to offer lower cost-sharing or coinsurance in preferred pharmacy networks—a policy option that has **proven to be so** **popular with beneficiaries** that 99 percent of Part D plans will offer in 2018—denying them billions in savings annually.
* The proposed rule also proposes exploring changes to interpreting any willing pharmacy (AWP) requirements that risk severely **compromising the safety and quality of patient care** by curbing plan sponsors’ ability to require licensing and credentialing of pharmacies offering sophisticated services such as mail order and/or specialty drug dispensing/care.

For these reasons, I urge CMS to withdraw these proposed policies.

Sincerely,

Susan Peppers, R.Ph.

Susan Peppers

Vice President, Pharmacy Practice, Operations

Express Scripts