**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 ValuCare Center Health Mart 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.

These DIR fees are nothing less than MEDICARE FRAUD being committed by these PBMs at the expense of community pharmacies, both independent and chain. They are forcing many independent pharmacies out of business and further restricting patients access to pharmacy services.

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,

Stephen L. Wilke, R.Ph.

Owner

ValuCare Center Health Mart Pharmacy

1378 Main Street

Marinette WI 54143-2425