

PHARMACY DIR FEES AND INDEPENDENT GROCERY

Cosponsor the *Pharmacy DIR Reform to Reduce Senior Drug Costs Act* H.R. 3554 / S. 1909

Independent supermarkets operate over 3,000 pharmacies across the country. In many small towns and rural areas, the grocery store pharmacy is the only healthcare provider in the community. In recent years, two disturbing trends have been accelerating: Medicare Part D beneficiaries are paying higher out-of-pocket costs, and independent and community pharmacies are closing. This is a direct result from pharmacies being assessed ever increasing direct and indirect remuneration (DIR) fees. These fees, often referred to as "rebates" or "price concessions", are abused by Part D plan sponsors and pharmacy benefit managers (PBMs) to strategically recoup funds from pharmacies long after transactions have been completed.

DIR fees are unpredictable and seemingly unconnected to a pharmacy's performance or other standards. According to recent Centers for Medicare & Medicaid Services (CMS) data, <u>DIR fees grew by more than 91,500 percent between 2010 and 2019!</u> Independent supermarket pharmacies have virtually no ability to absorb or budget for these unexpected costs. Even worse, because DIR fees are regularly applied to the price of a drug long after the point of sale, patients do not benefit and end up paying a larger share of the actual cost of the drug.

Pharmacy DIR fee reforms have bipartisan support in both the <u>House</u> and <u>Senate</u>. For the sake of independent supermarket pharmacies and the Medicare Part D patients we serve, please cosponsor the *Pharmacy DIR Reform to Reduce Senior Drug Costs Act*. Pharmacy DIR fee reforms will lower costs sharing for patients and ensure that independent supermarket pharmacies continue to provide vital healthcare access to millions of Americans.

The Pharmacy DIR Reform to Reduce Senior Drug Costs Act (H.R. 3554 / S. 1909) will:

- <u>Boost transparency and cost predictability.</u> Pharmacists will know what their reimbursements will be up front, and seniors will pay lower out-of-pocket costs at the pharmacy counter.
- <u>Preserve access to independent supermarket pharmacies.</u> Locally owned pharmacies provide enhanced patient care and are often located in underserved rural and inner-city areas.

To cosponsor H.R.3554: Gabie Camozzi (gabie.camossi@mail.house.gov) with Rep. Peter Welch (D-VT-At Large)

Emily Mace (emily.mace@mail.house.gov) with Rep. Morgan Griffith (R-VA-09)

To cosponsor S.1909: Stephanie Johnson (<u>stephanie_johnson@tester.senate.gov</u>) with Sen. Jon Tester (D-MT)

Dana Richter (<u>dana_richter@capito.senate.gov</u>) with Sen. Shelley Moore Capito (R-WV)

