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The Honorable Frank Pallone
Chair
House Committee on Energy and Commerce
2125 Rayburn House Office Building
Washington, DC 20515

The Honorable Greg Walden
Ranking Member
House Committee on Energy and Commerce
2322A Rayburn House Office Building
Washington, DC 20515

Dear Chairman Pallone and Ranking Member Walden,

I write on behalf of the pharmacists across the country to thank you for your efforts addressing drug pricing and to plead with you to continue to see this through to meaningful action. As has been noted in recent Congressional hearings, many patients across this country are losing access to care, suffering and even dying. What is amazing, is that at the same time we are seeing drug pricing trends skyrocket and prescription volumes increase, patients' access to necessary medications and quality care services have been reduced. Many independent pharmacies continue to close and large chains have been forced to cut pharmacists' wages and hours (from 40 to 23 per week) as many pharmacies cannot afford to stay in business due to reduced federal reimbursement for dispensing medications, often below acquisition costs, and providing any applicable patient care services.

The question begging to be answered is, "How can pharmacists, as the actual providers of medication and quality care with medications, be getting paid less and how can pharmacies be getting forced out of business, when drug prices are skyrocketing?" This crisis speaks to the perverse pricing practices utilized by the middle of the drug supply chain. industry. What I especially want to bring to your consideration is the frequent attention on "rebates." I have listened to the Congressional hearings and the repeated talking-point claims of the pharmacy benefit managers (PBMs), health plans, and manufacturers, that they are "transparent" when it comes to "rebates." However, as several Members of the Energy and Commerce Committee have noted, this is simply untrue. Business transactions have become quite complex, and fees, often referred to as "rebates" have transgressed beyond the reach of current "transparency" laws. These include PBMs' use of direct and indirect remuneration (DIR) fees, which utilize a regulation intended to make pharmacy contracts more transparent, that have become a profit center for PBMs by artificially tying manufacturer rebates to pharmacies. There simply is no connection between the cost of the drug a pharmacy pays to their wholesalers and a pharmacy's performance on measures to improve the quality of patient care. Pharmacies are in no position to bear risk for the prices they pay for medicines dispensed to their patients over which they have no control. While there is definitive value in the services pharmacies provide, there should also be incentives for pharmacies to provide these services in order to optimize outcomes and improve patient care. Even as the Committee begins to address the problems with PBMs' use of DIR fees and other "rebates," pharmacies are continually forced by PBMs to give "price concessions" by other names ("true-ups", "clawbacks," etc.), in a constant game of "whack-a-mole," to stay in issuers' pharmacy networks and maintain patients' access to their medications.

Legislation aimed at lowering drug prices must not allow PBMs to put pharmacies at risk for the cost of the medicine dispensed. At a minimum, pharmacies must be reimbursed for the acquisition cost of the drug and reasonable incentives put in place to reward high quality care that the literature own to improve patient outcomes and value from the pharmaceuticals being purchased. Chicanery in the middle, to add fees and hide money only takes resources away from patient care. Drug pricing legislation should also disallow all types of fees, monetary exchanges and exchanges of value that discount the pharmacy's drug cost.

While it is important to address the supply side of medication costs, I also urge you to consider the "care" component of medication use and health care. Despite the fact many states and Medicaid programs are turning to pharmacists to improve patients' health and outcomes and lower medication-related costs, Medicare Part B does not cover the patient-care services pharmacists can provide. As private health plans align their policies with Medicare policies, pharmacists are being routinely excluded from providing direct patient care services across the country that can improve patient care and reduce health care costs. Pharmacists can be a significant part of the solution to rising costs. As previously noted, when pharmacists are given the opportunity to provide patient care services, evidence shows that health improves, and costs are reduced. As you may be aware, today, pharmacists are trained inter-professionally, alongside their physician and nursing colleagues. So, we have capable providers (pharmacists) in an incapable system that does often not recognize the benefits of their care. Yet, over half of the U.S. Senate and House of Representatives, including many members of this Committee, have supported federal legislation adding pharmacists to the team. I thank the Committee for its past support and urge you to pass legislation to help improve health outcomes, increase quality, reduce costs and consequently, increase the viability and longevity of the Medicare program

Finally, as we work together to reduce prescription drug prices, I ask you also take to heart the significant negative impacts industry pricing practices are having on the practice of pharmacy. Front-line stress on pharmacists has never been more intense. In addition to reduced federal reimbursements, pharmacists must repay significant student loans, while their hours and jobs are being reduced and/ or cut. Accordingly, in July, APhA is convening an industry consensus conference to facilitate collaborative, respectful dialogue among employers and pharmacy staff, educators, regulators, and policymakers that balances their respective needs and objectives to meet the needs of our patients. I would welcome the opportunity to update you on these efforts as we need real action to ensure the pharmacist workforce supply meets the need for patient care services.

As APhA President, I stand "easy to reach and ready to help," and look forward to serving as a resource to you in your effort to reduce prescription drug prices as all pharmacists strive to meet the needs of our patients across this country.

Sincerely,



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