



NATIONAL ASSOCIATION OF
CHAIN DRUG STORES



September 26, 2017

The Honorable John McCain
Chairman
Committee on Armed Services
United States Senate
Washington, D.C. 20510

The Honorable Mac Thornberry
Chairman
Committee on Armed Services
United States House of Representatives
Washington, D.C. 20515

The Honorable Jack Reed
Ranking Member
Committee on Armed Services
United States Senate
Washington, D.C. 20510

The Honorable Adam Smith
Ranking Member
Committee on Armed Services
United States House of Representatives
Washington, D.C. 20515

Dear Chairman McCain, Ranking Member Reed, Chairman Thornberry, and Ranking Member Smith:

Our organizations, the National Community Pharmacists Association (NCPA) and the National Association of Chain Drug Stores (NACDS), are writing today to urge you to support Section 721, *One Year Extension of Pilot Program for Prescription Drug Acquisition Cost Parity in the TRICARE Pharmacy Benefits Program*, of H.R. 2810 as part of the final National Defense Authorization Act (NDAA) for Fiscal Year 2018 (FY18).

NCPA represents the interests of America's community pharmacists, including the owners of more than 22,000 independent community pharmacies. Together they represent an \$81.5 billion health care marketplace, dispense nearly half of all retail prescriptions, and employ more than 250,000 individuals on a full or part-time basis.

NACDS represents traditional drug stores and supermarkets and mass merchants with pharmacies. Chains operate more than 40,000 pharmacies, employing more than 3.2 million individuals, including 178,000 pharmacists. They fill over 3 billion prescriptions yearly and help patients use medicines correctly and safely, while offering innovative services that improve patient health and health care affordability.

In total, we represent the interests of all community pharmacies within the United States. Our members provide vital pharmacy and related counseling services as well as immunizations to the nation's TRICARE beneficiaries and serve as a health care source within their communities.

As the FY2018 NDAA is considered in conference, we urge the conferees to adopt Section 721 of H.R. 2810 which contains a one year extension of the Department of Defense's ("DoD") authority to implement the TRICARE Prescription Drug Acquisition Cost Parity Pilot Program as contained in the FY2017 NDAA.

The pilot will be a valuable program providing TRICARE beneficiaries with better access to pharmacist care and freedom to choose where to fill their prescriptions. Moreover, the pilot is anticipated to generate federal savings through lower administration fees and enhanced savings on brand medications through lower net DoD acquisition costs for prescriptions filled at retail pharmacies.

Implementation of the pilot program enjoys strong bipartisan support. In fact, earlier this year, members of both the House and the Senate sent letters to the DoD in support of the Pilot. The DoD's authorization to implement the pilot is set to expire on October 1, 2017. With a deadline that is fast approaching, the DoD should be given more time to develop an implementation strategy. We believe the DoD would benefit from more time to consider the benefits of the pilot.

We thank you ask for your support in the adoption of the House provision extending by one year the timeline for the "Pilot Program for Prescription Drug Acquisition Cost Parity in the TRICARE Pharmacy Benefits Program" as included in the FY2017 NDAA. This pilot program has the potential to produce significant cost savings for the TRICARE program, while at the same time restoring beneficiary access to prescription drugs at all filling locations.

Sincerely,

National Community Pharmacists Association
National Association of Chain Drug Stores