

**Congress of the United States**  
**Washington, DC 20515**

April 23, 2015

The Honorable Sylvia Mathews Burwell  
Secretary  
United States Department of Health and Human Services  
200 Independence Avenue, SW  
Washington, D.C. 20201

Dear Secretary Burwell:

In the changing Medicaid landscape, the primacy of preserving beneficiaries' access to their prescription drugs is critical. To help to preserve such access, we strongly encourage the Centers for Medicare and Medicaid Services (CMS) take steps to ensure that neighborhood pharmacies receive appropriate reimbursement for the Medicaid drugs that they dispense, as well as for the pharmacies' costs for providing that dispensing service. Over time, and through various legislative measures, Congress has demonstrated widespread bipartisan commitment toward preserving Medicaid beneficiary access to their prescriptions drugs via fair and accurate reimbursement for neighborhood pharmacies.

In the last year, CMS has updated its regulatory plans for reforming Medicaid pharmacy reimbursement. CMS has indicated that it will likely release the Final Rule on Medicaid Covered Outpatient Drugs in April 2015. Also, CMS has announced that simultaneous with the Final Rule, it intends to finalize the new Average Manufacturer Price (AMP)-based Federal Upper Limits (FULs) and guidance to states for implementing those FULs. CMS advised that such guidance would include timelines for states to comply with the ACA-revised FULs.

We ask CMS to develop policies that help to ensure that Medicaid drug reimbursement does not fall below drug acquisition cost. At the same time, we also request that CMS promulgate regulations that provide for state dispensing fees that accurately reflect the full cost of neighborhood pharmacies' cost to dispense Medicaid drugs.

Procedurally, we urge CMS to carefully address the time period for states to implement the new AMP-based FULs, as many states would be hindered in trying to implement the new FULs under a tight implementation timeline. Specifically, several state legislatures require adequate time to enact state legislative drug reimbursement measures to comply with the Final Rule and related guidance, especially those state legislatures that end their sessions mid-year. Other states will seek to conduct state cost-of-dispensing studies, which take time to complete and act upon the results. Most states will also need to file State Plan Amendments to make state Medicaid reimbursement adjustments; yet another process that will take a number of months. Given that one or more of these obstacles impact the majority of states, we urge CMS to develop at least a one-year implementation time period, which would commence after the final FULs and corresponding regulation and guidance have all been published.

We appreciate your attention to our policy concerns regarding reforms to Medicaid drug reimbursement policy, and we ask you to promulgate regulatory guidance that maintains and promotes Medicaid beneficiary drug access.

Sincerely,



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Member of Congress



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Member of Congress



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Member of Congress



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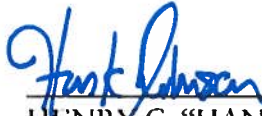
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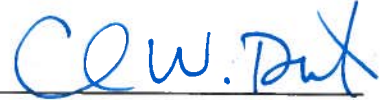
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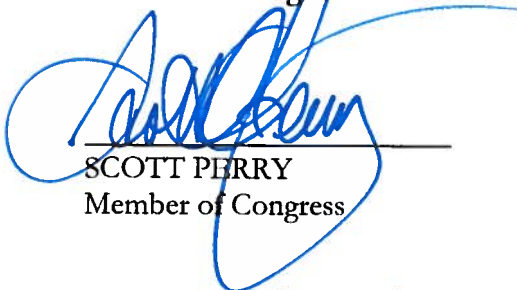
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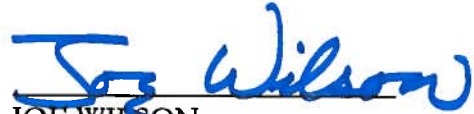
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