

NewsRelease

FOR IMMEDIATE RELEASE
February 12, 2019

Contact: [Chris Krese](#)
(703) 837-4650

NACDS Urges DIR Fee Reform in Statement to House Ways and Means Committee

Details opportunities to reduce patients' out-of-pocket drug costs and to lower overall healthcare spending through DIR fee reform

Describes public's trust of pharmacies' cost-saving proposals

Arlington, Va.—The National Association of Chain Drug Stores (NACDS) today submitted a [statement](#) to the U.S. House of Representatives Committee on Ways and Means for the hearing titled “The Cost of Rising Prescription Drug Prices.”

NACDS described the importance of direct and indirect remuneration (DIR) fee reform for reducing patients' out-of-pocket prescription drug costs, and for pharmacies' viability. The comments also described the relationship between lower out-of-pocket drug costs and patients' taking their medication as prescribed. This behavior – known as “medication adherence” – reduces the reliance on more costly forms of care and thus reduces overall healthcare costs.

Earlier this year, NACDS submitted [comments](#) to the Centers for Medicare & Medicaid Services (CMS) in support of the agency's DIR fee reform proposal described in the proposed rule, *Modernizing Part D and Medicare Advantage to Lower Prices and Reduce Out-of-Pocket Expenses*.”

NACDS' said in its statement to the Committee: “CMS should use their authority to include pharmacy DIR fee reform and the movement towards a pharmacy quality incentive program in the final rule. These changes will lower out-of-pockets costs for beneficiaries and make medicine more accessible, leading to greater adherence and better health outcomes through services such as medication optimization. We urge members of the Committee to voice their concerns to Secretary of Health and Human Services and urge the inclusion of these changes in the Final Part D Rule.”

Pharmacy DIR fees increasingly are being misused by payers to retroactively and severely claw back reimbursement to pharmacies for the prescription drugs that they provide to Medicare beneficiaries. For example, payers impose penalties for pharmacies' alleged failure to achieve certain benchmarks – many of which are vague, undefined, inconsistent, unachievable or outside of the control of pharmacies.

Interpretations of specific terms that are used in the Medicare program related to pharmacy reimbursement and drug pricing have led to these claw-backs, and ultimately to higher out-of-pocket drug costs for patients and increased costs for the government.

In its comments, NACDS noted the significant trust placed in pharmacies, including on topics related to prescription drug savings.

“Based on their first-hand experiences with pharmacies and pharmacists, Americans also trust the recommendations of pharmacies and pharmacists on related public policy issues,” NACDS said. “A national poll of registered voters conducted January 4-6, 2019, by Morning Consult and commissioned by NACDS bears this out. In the poll, 69 percent of registered voters say pharmacists are credible information sources on prescription drug savings, making pharmacists the highest-ranked healthcare professionals in this regard. Further, 86 percent of registered voters support pharmacists using their expertise to identify policies that will lower patients’ drug costs and that build on the *Know the Lowest Price Act*. Enacted in 2018, the *Know the Lowest Price Act* banned ‘gag clauses’ that prevented pharmacists from informing patients when they can save money by paying cash for a prescription rather than using insurance.”

NACDS also has recently commended [U.S. Senators](#) and [patient and consumer groups](#) for urging CMS to advance DIR fee reform.

###

NACDS represents traditional drug stores, supermarkets and mass merchants with pharmacies. Chains operate over 40,000 pharmacies, and NACDS’ over 80 chain member companies include regional chains, with a minimum of four stores, and national companies. Chains employ nearly 3 million individuals, including 157,000 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 healthcare affordability. NACDS members also include more than 900 supplier partners and over 70 international members representing 21 countries. Please visit [NACDS.org](https://www.nacds.org).

Pharmacies. The face of neighborhood healthcare.