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NACDS Urges DIR Fee Reform in Morning Consult Op-Ed

NACDS President & CEO Steven C. Anderson emphasizes DIR fee reform's role in lowering patients' out of pocket costs, reducing overall healthcare costs

Arlington, Va. – Morning Consult today [published](#) an opinion piece by the National Association of Chain Drug Stores (NACDS) entitled “DIR Fee Reform: Lining Up Another Win for Patients on Drug Costs.”

The op-ed emphasizes the threat of DIR (direct and indirect remuneration) fees and lays out the ways in which DIR fee reform will lower patients' out-of-pocket costs and reduce overall healthcare costs. Specifically, DIR fee reform will work to reduce cost sharing for patients; increase the likelihood that individuals will take medications as prescribed and thus improve health outcomes; reduce the reliance on more costly forms of healthcare; and ultimately reduce overall healthcare costs.

Written by NACDS President & CEO Steven C. Anderson, IOM, CAE, the opinion piece exposes the detrimental effects of DIR fees on the nation as a whole, urging the Trump Administration to [finalize its proposals](#) to reform DIR fees.

“The amount that Medicare beneficiaries must pay for a prescription drug is supposed to be based on the cost of the drug. However, health plans often calculate patients' drug prices without subtracting the dollars that the plans claw back from pharmacies many months after the prescription is dispensed,” Anderson wrote. “So, patients' drug costs are artificially inflated, because they are calculated based on an inflated base figure that is more than the plans really pay for drugs. HHS has concluded that eliminating this drug pricing game would reduce patients' drug costs by an astounding \$14.8 billion over 10 years.”

“To summarize, it is simply unsustainable for pharmacies – or for any business – to be undercompensated, often below cost, for goods and services, and for this reimbursement to be completely unpredictable. That is just the beginning of the story, as the unsustainable cycle proceeds from there: higher drug costs, lower medication adherence, diminished patient health, greater reliance on expensive treatments, higher overall healthcare costs.”

DIR fee reform was a major focus of [NACDS RxIMPACT Day on Capitol Hill](#) this week, during which pharmacy advocates from all 50 states reached every Congressional office.

Information about other developments in the effort for DIR fee reform – including support from patient advocates and members of Congress – can be found on NACDS' [Access Agenda](#) website.

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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.

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