

June 10, 2019

President Donald J. Trump
The White House
1600 Pennsylvania Avenue
Washington, DC 20500

Dear President Trump,

We represent pharmacies across practice settings in every community across our country, and we write to voice our disappointment that the final rule *Modernizing Part D and Medicare Advantage to Lower Drug Prices and Reduce Out-of-Pocket Expenses* did not address onerous pharmacy direct and indirect remuneration (DIR) fees that have increased **45,000% since 2010**, with no savings passed onto beneficiaries. This number will continue to grow if these practices are not reformed.

After extensive study on the issue of pharmacy DIR fees, the Centers for Medicare and Medicaid Services (CMS) proposed requiring Part D Plans to reflect all pharmacy price concessions in the negotiated price used to determine the progression of beneficiaries through the Part D program. CMS' own estimate determined that beneficiaries would save \$7.1-9.2 billion over ten years in reduced costs at the pharmacy counter, even when factoring in a potential for slightly higher premiums. Moreover, the proposed rule contemplated establishing pharmacy specific quality metrics to enhance patient outcomes and appropriately evaluate pharmacy performance.

After hearing from over 3,500 pharmacists, 155 pharmacy stakeholder organizations, more than two dozen patient advocates, 29 U.S. Senators and 62 Members of the U.S. House of Representatives all supporting pharmacy DIR reform during the comment phase, these critical reforms were not included in the final rule.

We request your immediate help to address DIR reform this year in order to eliminate practices that drive up patient and government spending on drugs. We appreciate Secretary Azar's engagement with the pharmacy community on DIR reform, and understand that the Administration is willing to support a legislative solution to this critical issue.

We stand ready to work with you and your administration to pursue additional opportunities, such as legislation, to move DIR reform forward.

Sincerely,

American Pharmacists Association
Food Marketing Institute
National Association of Chain Drug Stores
National Association of Specialty Pharmacy
National Community Pharmacists Association
National Grocers Association

Cc: Mick Mulvaney, Acting White House Chief of Staff and Director, Office of Management and Budget
Joe Grogan, Director, White House Policy Council
Alex Azar, Secretary, U.S. Department of Health and Human Services
Seema Verma, Administrator, Centers for Medicare and Medicaid Services