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Legislative Update

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To: IPA NJ Members

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Federal Pharmacy Updates

To keep our members informed, IPA's Government Affairs Division would like to bring to your attention some important federal updates from NCPA.

Register for NCPA's Congressional Pharmacy Fly-In April 26 - 27, 2017 - Join IPA and make your voice heard in the halls of Congress by attending the **Congressional Pharmacy Fly-In April 26 - 27 in Washington, DC**. To register for the Fly-In go to New Jersey Pharmacists Association's (NJPHA) website at <http://conta.cc/2ncDCnr> or call **609-275-4246**.

Federal Updates Include:

Ban Retroactive DIR fees S. 413 / H.R. 1038: It would eliminate retroactive DIR fees by prohibiting plan sponsors/PBMs from reducing payment on clean claims submitted by pharmacies under Medicare Part D. DIR fees are clawed back months later rather than deducted from claims on a real-time basis. This reimbursement uncertainty makes it extremely difficult for independent pharmacies to operate. Moreover, in January 2017 the Centers for Medicare & Medicaid Services (**CMS**) **warned the rise in pharmacy DIR fees has increased Medicare costs to the government and forced more beneficiaries into the coverage gap (or "donut hole")**. **(Support)**

PBM MAC Transparency H.R. 1316: Designed to bring clarity to generic drug payments in Medicare Part D, TRICARE, and the Federal Employee Health Benefits Program. This bill would give independent pharmacies insight into the basis for MAC reimbursement rates, certainty that they are updated to reflect real-world prices (MAC updates at least every seven days), and an effective appeals process to contest below-cost payments. It would also prohibit PBMs from requiring patients use the mail order and specialty pharmacies they own, which creates a conflict of interest, or exploiting private patient data for those purposes. ***New Jersey's state MAC law was approved in January 2016.*** **(Support)**

S.109 / H.R. 592: Pharmacist services would be reimbursable under Medicare Part B only if they are provided in areas of the country that are medically underserved, medically underserved populations or health professional shortage areas. Millions of Americans already lack adequate access to health care due to primary care physician shortages in their communities, despite many of these patients having health insurance coverage. The Association of American Medical Colleges projects that by 2020, there will be more than 91,000 fewer doctors than needed to meet demand. Enabling pharmacists to more fully utilize their education, training and expertise will also improve health outcomes and greatly benefit specific populations with chronic disease. **(Support)**

- For more information on these federal initiatives visit NCPA's website at: www.ncpanet.org/advocacy/federal-advocacy

If you have any questions or comments regarding the status of issues affecting pharmacy, please contact Anthony Reznik, IPA's Director of Government & Public Affairs at 800-575-2667 or areznik@ipagroup.org. Visit the IPA website at www.ipa-rx.org for more information.