

July 10, 2019

The Honorable Chuck Grassley
Chairman
Committee on Finance
135 Hart Senate Office Building
United States Senate
Washington, D.C. 20510

The Honorable Ron Wyden
Ranking Member
Committee on Finance
221 Dirksen Senate Office Building
United States Senate
Washington, D.C. 20510

Dear Chairman Grassley and Ranking Member Wyden:

As pharmacists, pharmacy stakeholder groups, and patient advocacy organizations representing the interests of Medicare Part D beneficiaries, we are writing today to urge you to include pharmacy DIR fee reform, in the Senate Finance Committee's drug pricing legislation.

As you know, the Centers for Medicare and Medicaid Services (CMS) recently missed an opportunity to deliver real cost savings to Medicare beneficiaries when the agency finalized the *Modernizing Part D and Medicare Advantage to Lower Drug Prices and Reduce Out-of-Pocket Expenses, CMS-4180-P* rule without retaining crucial pharmacy DIR fee reforms that had been proposed. Without pharmacy DIR fee reform, another year could pass before seniors see drug prices lowered at the pharmacy counter.

As CMS itself cited in the proposed rule, DIR fees on pharmacies participating in Part D grew by 45,000 percent between 2010 and 2017. This increase is unacceptable and unsustainable and it creates uncertainty not only for community pharmacies but also for the patients who rely on Part D prescription drugs. Until pharmacy DIR fee reform occurs, seniors will continue to pay higher cost-sharing for their prescription drugs. CMS estimated that these reforms would have saved Medicare beneficiaries between \$7.1 and \$9.2 billion in cost sharing over the next ten years.

CMS has studied this issue extensively and heard from thousands of pharmacists and patient advocates during the comment period as well as 29 members of the United States Senate and 62 members of the House of Representatives encouraging finalization of the pharmacy DIR provisions.

If CMS will not act then Congress must. For these reasons, we continue to urge the Senate Finance Committee, with your leadership, to deliver seniors real relief from rising prescription drug costs. We stand ready to work with you to determine how we can adopt this much-needed and overdue reform relief this year.

Thank you,

Academy of Independent Pharmacy/Georgia Pharmacy Association (AIP)
Adams Pharmacy
AIDS Healthcare Foundation
Alabama Grocers Association
Alabama Pharmacy Association
Alaska Pharmacists Association
Albertsons Companies
Alliance of Independent Pharmacists of Texas
American Associated Pharmacies
American Pharmacies
American Pharmacists Association

American Pharmacy Cooperative, Inc.
American Pharmacy Services Corporation
American Society of Consultant Pharmacists
American Society of Health-System Pharmacists
Arete Pharmacy Network
Arizona Pharmacy Association
Arkansas Pharmacists Association
Associated Food Stores, Inc.
Associated Wholesale Grocers
Belleville Pharmacy
Big Y Foods, Inc.
Brookdale ShopRite and ShopRite of Newark
Brookshire Grocery Company
Buonadonna's ShopRite LLC
California Grocers Association
California Pharmacists Association
CARE Pharmacies Cooperative, Inc.
Cleveland Clinic
Colorado Pharmacists Society
Community Oncology Alliance (COA)
Compliant Pharmacy Alliance Cooperative, Inc.
Connecticut Food Association
Connecticut Pharmacists Association
Costco Wholesale
Currus, Inc.
D&C Pharmacy
Dakota Drug, Inc.
Dierbergs Markets
Discount Drug Mart
Doc's Food Stores, Inc.
Federation of Pharmacy Networks
Felker Pharmacy, Inc.
Florida Independent Pharmacy Network
Florida Pharmacy Association
Food City Pharmacy
Food Marketing Institute
Fruth Pharmacy Inc.
Garafalo Markets LLC (ShopRites of Stratford, Milford, Orange, East Haven, Hamden, and Cromwell, CT)
Garden State Pharmacy Owners
Georgia Pharmacy Association
GeriMed
Glass Gardens, Inc. T/A ShopRite of Rochelle Park
Good Neighbor Pharmacy
Grade A ShopRite Pharmacies
Greenfield's ShopRite
Gristedes Supermarkets
HAC-INC (Homeland Pharmacy, United Pharmacy, Cash Saver Pharmacy)
Harmons Grocery
Hartig Drug
Hawaii Pharmacists Association
Health Mart

H-E-B

Hercules Pharmaceuticals

Hi-School Pharmacy

Hometown Pharmacies of Wisconsin

Hy-Vee, Inc.

Idaho Retailers Association

Idaho State Pharmacy Association

Illinois Pharmacists Association

Independent Pharmacy Alliance

Independent Pharmacy Buying Group, Inc.

Independent Pharmacy Cooperative

Indiana Pharmacists Association

International Academy of Compounding Pharmacists

ION Solutions

Iowa Pharmacy Association

Kansas Food Dealers Association

Kansas Pharmacists Association

Kentucky Pharmacists Association

Keystone Purchasing Alliance

Kinney Drugs

Kirby Foods, Inc. / Martin's Pharmacy

KVAT Food Stores, Inc.

Lee's MarketPlace, Inc.

Leppinks Pharmacy

Lewis Drug

Lifesmart RX Pharmacy

Louisiana Independent Pharmacies Association

Louisiana Pharmacists Association

Louisiana Retailers Association

Louisiana Wholesale Drug Co., Inc

Maine Pharmacy Association

Mannix Family Markets

Maryland Association of Chain Drug Stores

Maryland Pharmacists Association

Maryland Retailers Association

Massachusetts General Hospital

Massachusetts Independent Pharmacists Association

Massachusetts Pharmacists Association

McKesson

Medicine Shoppe

Meijer Inc.

Michigan Pharmacists Association

Minnesota Grocers Association

Minnesota Pharmacists Association

Mississippi Independent Pharmacies Association

Mississippi Pharmacists Association

Missouri Grocers Association

Missouri Pharmacy Association

Montana Pharmacy Association

Multiple Sclerosis Association of America

Mutual Drug

National Alliance of State Pharmacy Associations
National Association of Chain Drug Stores
National Association of Specialty Pharmacy
National Community Pharmacists Association
National Grocers Association
ND Pharmacists Association
ND Pharmacy Service Corporation
Nebraska Pharmacists Association
New Hampshire Grocers Association
New Jersey Pharmacists Association
New Mexico Pharmacists Association
New Mexico Pharmacy Business Council
New Walker's Professional Pharmacy LTC
New Hampshire Pharmacists Association
Niemann Foods, Inc.
NOK Foods, LLC
North Carolina Association of Pharmacists
Northeast Pharmacy Service Corporation
Ohio Grocers Association
Ohio Pharmacists Association
Oklahoma Pharmacists Association
Oncology Supply
Oregon State Pharmacy Association
Osborn Drugs, Inc.
PARC, an Association of Community Pharmacies
PBA Health
PCCA
Pennsylvania Food Merchants Association
Pennsylvania Pharmacists Association
Perlmart, Inc.
Pharmacy First
Pharmacy Franchisees and Owners Association
Pharmacy Providers of Oklahoma
Pharmacy Society of Wisconsin
PPSC
Price Rite Marketplace
Puckett Discount Pharmacy
Puckett's Food Stores
QualityCare Pharmacies
Redner's Markets
Restore Rx Specialty Pharmacy
Retail Grocers Association of Greater Kansas City
Rhode Island Pharmacists Association
Rite Aid
Ronetco Supermarkets, Inc.
RxPlus Pharmacies, Inc.
Sav-Mor Drug Stores, Inc.
Schnuck Markets, Inc.
ShopRite of Lincoln Park
ShopRite of Newark
Smith Drug Company

South Carolina Pharmacy Association
South Dakota Pharmacists Association
South Dakota Retailers Association
Southeastern Grocers
Southern Pharmacy Cooperative
SpartanNash
Stormans Inc. & Ralph's Thriftway Pharmacy
Tennessee Grocers & Convenience Store Association
Tennessee Pharmacists Association
Texas Pharmacy Association
Texas Pharmacy Business Council
Texas Retailers Association
The Bartell Drug Company
The Kroger Co.
Thrifty White Pharmacies
University of Wisconsin Health
URM Stores, Inc.
US Bioservices
Utah Pharmacy Association
Valu Merchandisers Company
Value Drug Company
Value Specialty Pharmacy
Vermont Pharmacists Association
Vermont Retail & Grocers Association
Virginia Pharmacists Association
Wakefern Food Corp.
Walgreen Co.
Walmart
Walt Churchill's Market
Warehouse Market, Inc.
Washington DC Pharmacy Association
Washington Food Industry Association
Washington State Pharmacy Association
Waverly Markets LLC
Wegmans Food Markets, Inc.
West Virginia Pharmacists Association
West Virginia University Health Systems
Western States Pharmacy Coalition
Wisconsin Grocers Association
Wyoming Pharmacy Association

cc: The Honorable Mitch McConnell, Senate Majority Leader
The Honorable Chuck Schumer, Senate Minority Leader