

June XX, 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.

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