

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 Cooperative  
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 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.  
PARD, 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