

United States Senate

WASHINGTON, DC 20510

June 15, 2016

The Honorable Andy Slavitt
Acting Administrator
Department of Health and Human Services
Centers for Medicare and Medicaid
7500 Security Boulevard
Baltimore, Maryland 21244

Dear Acting Administrator Slavitt,

We write to urge the Centers for Medicare and Medicaid Services (CMS) to finalize and implement its *Proposed Guidance on Direct and Indirect Remuneration (DIR) and Pharmacy Price Concessions*. This guidance would improve price transparency in Medicare Part D plans by requiring accuracy in the reporting of prescription drugs costs by plan sponsors.

Local, community pharmacies serve on the front lines as health care providers. Recently, community pharmacies have faced increasing uncertainty in their ability to serve Medicare beneficiaries due to the increasing use of post-claim adjudication price concessions and fees imposed by pharmacy benefit managers (PBMs). DIR fees prevent the pharmacy from knowing the true reimbursement amount of drugs being dispensed at the point of sale, and in some cases DIR fees have resulted in preferred pharmacy prices appearing lower than they actually are.

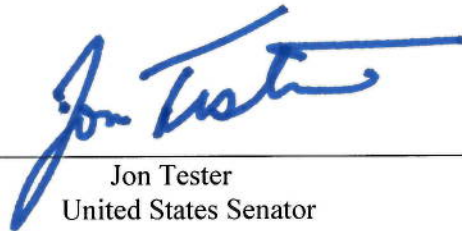
Community pharmacies have experienced a growing number of clawbacks instituted by PBMs as DIRs, in some cases long after the drugs have been dispensed. It is their view that all DIR fees could be reasonably determined or estimated at the point of sale by Plans/PBMs and appropriately reflected in the adjudication process. From the proposed guidance issued by CMS, you appear to agree with their assertion.

We urge you to finalize and implement the *Proposed Guidance on Direct and Indirect (DIR) Remuneration and Pharmacy Price Concessions*. Improving price transparency will benefit not only providers, but the seniors using Medicare Part D as well. We appreciate your consideration of this matter and look forward to hearing back from you.

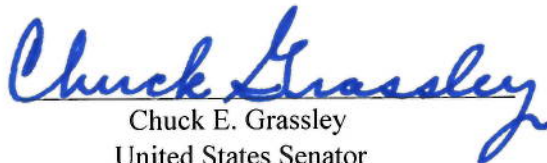
Sincerely,



Shelley Moore Capito
United States Senator



Jon Tester
United States Senator



Chuck E. Grassley
United States Senator




Sherrod Brown
United States Senator



Roger F. Wicker
United States Senator



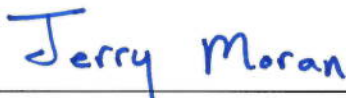
Joe Manchin III
United States Senator



John Boozman
United States Senator



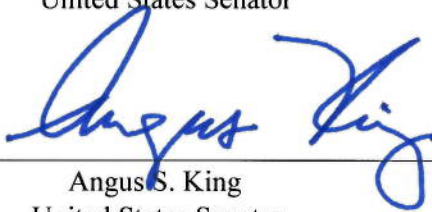
John H. Hoeven III
United States Senator



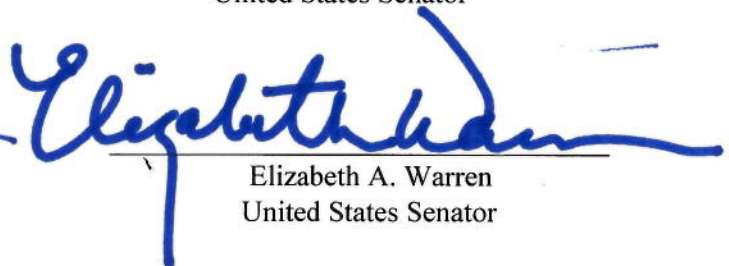
Jerry Moran
United States Senator



Heidi Heitkamp
United States Senator



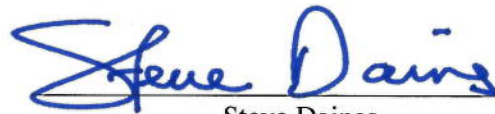
Angus S. King
United States Senator



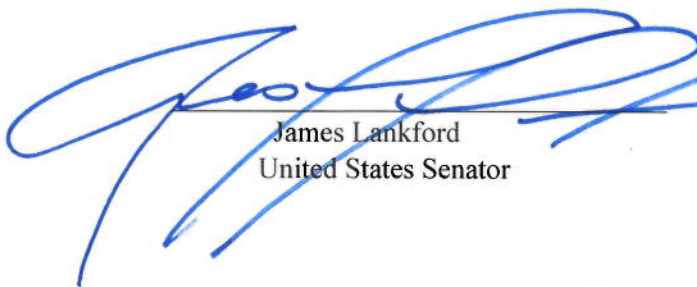
Elizabeth A. Warren
United States Senator




Tom Cotton
United States Senator



Steve Daines
United States Senator



James Lankford
United States Senator



Thom R. Tillis
United States Senator