

NACDS, NCPA Thank Patient, Consumer Groups for Taking Important Stance on DIR Fee Reform

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Groups emphasize DIR fee reform's power to reduce out-of-pocket drug costs and to reduce overall healthcare costs as a result of medication adherence and better health

Washington, D.C. – The National Association of Chain Drug Stores (NACDS) and the National Community Pharmacists Association (NCPA) today lauded 24 patient and consumer groups for advocating for pharmacy direct and indirect remuneration (DIR) fee reform.

In a [letter](#) to Health and Human Services Secretary Alex Azar and Centers for Medicare & Medicaid Services (CMS) Administrator Seema Verma, the groups took a stand in support of proposed DIR fee reform "to protect beneficiary pocketbooks and health."

The letter from patient and consumer groups details the complexities of the DIR fee reform issue, and the ways in which such reform is necessary to reduce patients' out-of-pocket drug costs; to increase the likelihood of patients' taking medications as prescribed – thus improving health and reducing overall healthcare costs; and to preserve pharmacy's vital role in healthcare delivery.

"[CMS] reports the use of pharmacy DIR has grown an astonishing 45,000 percent from 2010 to 2017," the patient and consumer groups wrote in their letter. "This increase has led to increased beneficiary cost-sharing and government costs. The increase in beneficiary cost-sharing makes it harder for struggling beneficiaries to afford their medication and could lead to reduced medication adherence and poorer health outcomes. In response, CMS recently issued a proposed rule to make changes to pharmacy DIR that would lower beneficiary costs."

DIR fees were originally intended to capture and report rebate amounts paid by manufacturers at the end of the plan year during the reconciliation process in Part D. The fees have become a catch-all category used increasingly by plans to include various pharmacy price concessions, such as fees related to performance-based programs or fees for participation in a preferred network. As a result, pharmacies find themselves in the untenable position of being paid by plan sponsors for prescription services, only to find out later that some of the payment must be returned.

"We are grateful to the patient and consumer groups, including the National Consumers League, The AIDS Institute, the National Multiple Sclerosis Society, the Lupus and Allied Diseases Association, and the many others who signed this letter. We also want to recognize and thank the patient groups, including the Arthritis Foundation, who submitted separate comments articulating their important and unique stories on this pressing issue," said NACDS President & CEO Steven C. Anderson, IOM, CAE.

"The impact of retroactive pharmacy price concessions on Part D patients is significant, so it's important that CMS hear from patient groups whose stakeholders are impacted. We appreciate their willingness to join with us in supporting the DIR provisions in this proposed rule. I have no doubt their input will carry weight with CMS," said NCPA CEO B. Douglas Hoey, pharmacist, MBA.

Founded in 1898, the National Community Pharmacists Association (NCPA) is the voice for the community pharmacist, representing 22,000 pharmacies that employ 250,000 individuals nationwide. Community pharmacies are rooted in the communities where they are located and are among America's most accessible health care providers.

The National Association of Chain Drug Stores (NACDS) represents traditional drug stores, supermarkets and mass merchants with pharmacies. Chains operate over 40,000 pharmacies, and NACDS' over 80 chain member companies include regional chains, with a minimum of four stores, and national companies. Chains employ nearly 3 million individuals, including 157,000 pharmacists. They fill over 3 billion prescriptions yearly, and help patients use medicines correctly and safely, while offering innovative services that improve patient health and healthcare affordability. NACDS members also include more than 900 supplier partners and over 70 international members representing 21 countries.

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