

FOR IMMEDIATE RELEASE
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Bipartisan Senators Amplify Growing Concerns about Preferred Networks in Medicare Part D

Arlington, Va. – In a letter to the Centers for Medicare & Medicaid Services (CMS), a bipartisan group of 16 Senators is urging increased oversight of the growing use of preferred pharmacy networks in Medicare Part D. The Senators asked CMS to ensure that preferred networks are implemented consistent with statutory requirements focused on meeting beneficiary needs.

“As CMS reviews Medicare plans for 2014 approval, we ask for additional oversight of Medicare plans with preferred networks,” the nine Republican and seven Democratic senators wrote to Marilyn Tavenner, acting administrator of CMS. “Please review the agency’s plans to ensure preferred networks are implemented in a manner that is consistent with the Medicare Modernization Act. We respectfully request that you inform us of your findings, and of steps that have been put in place to ensure Medicare plans using preferred networks are providing high quality care for Medicare beneficiaries while maintaining access to prescription drugs and not increasing overall Medicare costs.”

Those signing the letter include Sens. Sherrod Brown (D-OH); John Thune (R-SD); Tom Coburn (R-OK); Thad Cochran (R-MS); Richard Durbin (D-IL); Michael Enzi (R-WY); Chuck Grassley (R-IA); Heidi Heitkamp (D-ND); John Hoeven (R-ND); James Inhofe (R-OK); Tim Johnson (D-SD); Amy Klobuchar (D-MN); Jeff Merkley (D-OR); Jerry Moran (R-KS); Jon Tester (D-MT); and Roger Wicker (R-MS).

The Senators noted that CMS’ “Call Letter” for the 2014 plan year raised concerns related to preferred networks, including the potential for disruption in beneficiary access and for increased costs to the Medicare program. In the “Call Letter,” CMS noted its review of drug cost data that found some costs “may be higher in preferred networks than in non-preferred networks in some plans.” CMS also affirmed that “beneficiary communications concerning preferred networks must be clear and unambiguous” and that “under no circumstances may sponsors inform [Low-Income Subsidy] LIS-entitled beneficiaries that they must fill prescriptions at preferred network pharmacies in order to get LIS copays.”

In addition, 31 members of the House of Representatives wrote to CMS in March, expressing concerns similar to those described by the Senators and by CMS.

“We appreciate the focus and leadership that the Senators are bringing to this important issue for Medicare beneficiaries,” said National Community Pharmacists Association (NCPA) CEO B. Douglas Hoey, RPh, MBA, and National Association of Chain Drug Stores (NACDS) President and CEO Steven C. Anderson, IOM, CAE. “Momentum continues to build within CMS itself and on Capitol Hill behind the need for increased oversight and scrutiny of preferred networks in Medicare Part D, and we appreciate the work of legislators and agency officials alike who are keeping their eye on the ball of meeting beneficiary needs.”

The complete letter is available [here](#).

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The National Association of Chain Drug Stores (NACDS) represents traditional drug stores, supermarkets, and mass merchants with pharmacies – from regional chains with four stores to national companies. Chains operate more than 41,000 pharmacies and employ more than 3.8 million employees, including 132,000 pharmacists. They fill over 2.7 billion prescriptions annually, which is more than 72 percent of annual prescriptions in the United States. The total economic impact of all retail stores with pharmacies transcends their over \$1 trillion in annual sales. Every \$1 spent in these stores creates a ripple effect of \$1.81 in other industries, for a total economic impact of \$1.81 trillion, equal to 12 percent of GDP. For more information about NACDS, visit www.NACDS.org.

The National Community Pharmacists Association (NCPA®) represents the interests of America's community pharmacists, including the owners of more than 23,000 independent community pharmacies. Together they represent a \$93 billion health care marketplace, dispense nearly 40% of all retail prescriptions, and employ more than 315,000 people, including 62,400 pharmacists. Independent community pharmacists are readily accessible medication experts who can help lower health care spending. They are committed to maximizing the appropriate use of lower-cost generic drugs and reducing the estimated \$290 billion that is wasted annually by improper medication use. To learn more go to www.ncpanet.org or read NCPA's blog, The Dose, at <http://ncpanet.wordpress.com>.