

## **Importance of Retaining Pharmacy DIR During the COVID-19 Pandemic**

- Quality measurement via pharmacy DIR, such as adherence to chronic medications, has never been more important than during this crisis. Pharmacies need to do all they can to drive adherence to ensure Medicare beneficiaries are kept out of the hospital to preserve capacity for patients diagnosed with the coronavirus (COVID-19).
  - In the first interim final rule that the Centers for Medicare & Medicaid Services (CMS) issued to waive various Medicare provisions for the duration of the public health emergency, CMS did not adjust those Star Ratings plan measures that relate to medication adherence or to other measures typically used to assess pharmacy quality.
  - Medicare Part D plan sponsors and the pharmacy benefit managers (PBMs) administering the Part D prescription drug benefit are committed to continuing to promote patient adherence and other quality measures.
- The Congressional Budget Office has estimated the cost of eliminating pharmacy concessions, which often are included in what is referred to as Direct and Indirect Remuneration (DIR), to be \$21.7 billion over 10 years under Senator Grassley's proposal.<sup>1</sup> Eliminating DIR would also increase Part D premiums for Medicare beneficiaries.<sup>2</sup>
- Retrospective changes to DIR fundamentally move the National Average Bid Amount that determines what Part D plans receive to cover low-income subsidy (LIS) beneficiaries. This would create mass LIS beneficiary disruption and reassignment of LIS members to plans that remain under the benchmark after pharmacy DIR was taken out of plan bids and the calculation of the national average bid.
- PCMA supports the development of consistent, consensus-based pharmacy quality measures, but strongly opposes efforts to eliminate DIR.
  - Specifically, PCMA supports pharmacies having consistent, consensus-based measures through use of standard measures developed by the Pharmacy Quality Alliance or similar standard-setting organizations, which CMS has proposed for future contract years.<sup>3</sup>
  - We are very pleased CMS has chosen this approach in its recent proposed rulemaking for Medicare Part D contract years 2021 and 2022.
- In response to the COVID pandemic, the PBM industry is committed to working with the more than 60,000 pharmacies nationwide to promote pharmacy staffing flexibility.
  - Our companies have taken additional steps to promote new ways for patients to safely access their medications such as allowing for flexibilities in waiving proof-of-receipt signatures.
  - PCMA is also spearheading a supply chain and payer working group, that is collaborating to facilitate continued patient access to their medications during the pandemic.

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<sup>1</sup> Congressional Budget Office, "Division A – Prescription Drug Pricing Reduction Act of 2019, Posted December 6, 2019, with Modifications Discussed with Staff" (March 13, 2020),

<https://www.finance.senate.gov/imo/media/doc/2020-03-13%20PDPRA-SFC%20CBO%20Table.pdf>.

<sup>2</sup> CMS, "Modernizing Part D and Medicare Advantage to Lower Drug Prices and Reduce Out-of-Pocket Expenses," 83 FR 62152 (November 30, 2018), <https://www.federalregister.gov/documents/2018/11/30/2018-25945/modernizing-part-d-and-medicare-advantage-to-lower-drug-prices-and-reduce-out-of-pocket-expenses>.

<sup>3</sup> CMS, "Medicare and Medicaid Programs; Contract Year 2021 and 2022 Policy and Technical Changes to the Medicare Advantage Program, Medicare Prescription Drug Benefit Program," 85 FR 9002 (February 18, 2020).