

NCPA Update August 1-5, 2022

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Negotiations Continue on the Inflation Act and its Implication for Pharmacy

The Senate is continuing negotiations on the Inflation Reduction Act, and the current draft bill includes provisions that should impact community pharmacy. The Senate will begin consideration of the bill tomorrow, August 6, and the House will be back in session on August 12 to vote on the package. Here is what we know so far:

- Starting in 2026, the HHS Secretary would **negotiate pricing** for 10 top spend drugs in Medicare Part D, many of which are dispensed in community pharmacy, and would increase yearly and include Part B drugs by 2028.
- For pharmacies, reimbursement could be impacted under the new framework, as any difference between the negotiated price and discounted price for a drug would be “trued-up” within prompt pay requirements. **NCPA has pushed for protections for pharmacy payment, advocating that no reduction in pharmacy reimbursement would occur because of Medicare drug price negotiation.**
- **Annual out-of-pocket cap.** For plan year 2024, beneficiaries will owe 0% cost sharing above the current law catastrophic threshold. The legislation would also cap out-of-pocket costs for Medicare Part D beneficiaries at \$2,000 per year in plan year 2025. In subsequent years, the \$2,000 threshold will be increased at the rate of growth for the Part D program (i.e., the “annual percentage increase.”).
- **Optional “smoothing” of patient cost sharing.** Starting in 2025, Part D patients can elect to have their cost sharing smoothed out over the course of the benefit year. The bill caps the growth in Part D premiums at 6% per year from 2024 to 2029.
- **Vaccines.** The bill eliminates cost sharing for adult vaccines covered under Medicare Part D beginning January 2023 and improves access to adult vaccines under Medicaid and CHIP.
- **Drug rebate rule.** The bill will likely include a delay of the drug rebate rule to 2031, which Democrats are using once again as a budget gimmick to offset the cost of the legislation.
- **An insulin cap on out-of-pocket spend will likely be added as well.**

NCPA's Month of Action is Underway

NCPA's Month of Action is underway as several legislators or their key staff members visited community pharmacies this week including Sen. Mark Warner (D-Va.), a member of the Senate Finance Committee, visiting Amelia Pharmacy in Amelia, Va.; Reps. Mike Kelly (R-Pa.) to Rx Express Pharmacy, Adrian Smith (R-Neb.) to U-Save Pharmacy in McCook, Neb.; Yvette Herrell (R-N.M.) to Pharmacy 575 in Hobbs, N.M.; and Donald Norcross (D-N.J.) to Kennedy Pharmacy in Edison, N.J. Reps. Kelly and Smith both serve on the Ways and Means Committee.

Hosting a legislator or their staff member in your pharmacy is an effective way to build a lasting relationship. Check out [this video](#) of Rep. Buddy Carter (R-Ga.) and NCPA Vice President Michael Kim discussing how to effectively host a legislator. We're asking all community and LTC pharmacists to

participate in our [Month of Action](#). Congressional schedules are filling up for August so if you have not yet extended an invitation don't delay any further! Please let us know of your interest in participating by completing this [interest form](#) or by [emailing Michael Rule](#) and submit your invites to your legislators as soon as possible.

NCPA Provides PBM Regulatory Recommendations to New York State's Pharmacy Benefits Bureau

Earlier the summer, the New York State Department of Financial Services' Pharmacy Benefits Bureau released multiple requests for information or "RFI" on how to best implement rules relating to the regulation of PBMs, as well as the application of existing laws to PBMs operating in New York. This bureau is a newly created entity in New York tasked with oversight and regulation of PBMs. Because state actions AFTER the passage of legislation are vitally important, NCPA responded to several of the RFIs. First, NCPA provided comments on the duty, accountability, and transparency of pharmacy benefit managers to health plans under NY Public Health Law Section 280-a(2). The comments can be found [here](#).

Secondly, NCPA provided guidance on the application of state insurance laws to PBMs administering benefits to Medicare Part D plans. This is extraordinarily important because states are just beginning to realize their authority to regulate PBMs administering Part D plans, as that authority was confirmed in *PCMA v. Wehbi* (Eighth Circuit Court of Appeals) late last year. The comments can be found [here](#).

Finally, NCPA will be submitting comments on how the NY Pharmacy Benefits Bureau should exercise its rulemaking authority to address patient steering by PBMs. Those comments are due August 17 so stay tuned.

Recent Advocacy Highlights

NCPA made recent updates to its [advocacy highlights video](#). These include remarks from Members of Congress, federal agency officials, including FTC Chair Lina Khan, and other notable moments from various hearings, events and other member advocacy efforts. NCPA will continue to vigorously advocate on behalf of community pharmacies.

NCPA State Legislative Activity Update

NCPA tracks state legislation related to our top three state priorities: [Medicaid reform](#), [scope of practice and compensation for services](#), and [PBM reform and regulation](#). Click each issue for a report of bills that have been introduced so far this session specifically dealing with these three issue areas. You can access the individual bill language and basic information on the bill by clicking on the bill numbers in the attached report. Bills that have moved this week are listed at the top in the "Recently Updated" section.