Senate Finance Committee must address pharmacy DIR fees in pending legislation
The Senate Finance Committee has delayed action on a potential drug pricing legislative package until after the July 4 recess. NCPA has had several meetings with the committee urging it to address pharmacy DIR fees in this legislation in light of the Trump administration’s failure to act. The committee needs to hear that there is broader support in the Senate to address pharmacy DIR fees. If you are represented by a member of the Senate Finance Committee, invite them or their senior staff to visit your pharmacy over the upcoming July 4 recess (June 28-July 8) and see first-hand why action is needed. Regardless of whether your Senator is a member of the Finance Committee, email your senators and encourage them to voice their support for such action and ensure it is included in the final legislative package.

NCPA kicks off annual Litigation and Legislative Defense Fund (LDF) campaign
As NCPA members know, the LDF funds the vast majority of the work done by the Advocacy Center, including leading the efforts against PBMs in Washington DC and state capitols across the country. The annual outreach to members regarding LDF is currently underway. We are grateful for the members who have already decided to invest in NCPA’s Litigation and Legislative Defense Fund. If you have not yet invested, please consider doing so.

July 4 Congressional recess fast approaching, host your member of Congress for a pharmacy visit
The July 4 in-district work period starts next week. Congress will be away from Washington from June 28-July 8. Schedules are coming together so if you have not done so, extend an invitation to your legislator to visit your pharmacy or schedule a group meeting with multiple community pharmacists with legislators and discuss priority issues, such as the need for Congressional action to address pharmacy DIR fees. These carry extra value if your legislator is new to Congress so you can familiarize them with community pharmacy and our issues or if they are a member of the Energy and Commerce or Ways and Means health subcommittees, the starting points for much of community pharmacy’s legislation in the House. Pharmacy visits and face-to-face meetings are tremendously effective ways to communicate with legislators and to establish yourself as a resource to them as issues arise. Visit NCPA’s pharmacy visits webpage or contact Michael Rule at michael.rule@ncpanet.org for tips on arranging a visit with your legislator.

105 Representatives express disappointment over lack of action on pharmacy DIR fees
This week, 105 members of the House of Representatives sent a letter to President Donald Trump noting the "missed opportunity" to reduce seniors’ out-of-pocket costs for prescription drugs by not addressing pharmacy DIR fees in the recently finalized drug pricing rule. The letter was led by community pharmacy champions Reps. Peter Welch (D-Vt.), Vicente Gonzalez (D-Texas), Buddy Carter (R-Ga.), and Morgan Griffith (R-Va.) and signatories included one-third of the majority members of the House Energy and Commerce Committee. This letter echoed sentiments of those expressed by 28 bipartisan members of the Senate in a similar letter last week. The Senate effort was led by Sens. Shelley Moore Capito (R-W.Va.) and Jon Tester (D-Mont.). Thank you to all legislators that signed onto these letters to express bipartisan support for addressing pharmacy DIR fees.

NCPA supports delay of Health Insurance Tax
This week, NCPA joined more than 20 other small business organizations in sending a letter (attached) to Sens. Pat Toomey (R-Pa.) and Robert Casey (D-Pa.), the co-leads of the Health Taskforce, to urge action to delay the health insurance tax. The letter, organized by the Stop the HIT Coalition, notes in part that if the tax is not delayed, next year premiums could rise $480 for families purchasing coverage in the small group market, and urges immediate action to once again delay its implementation.

**Aging Committee explores solutions to higher prescription drug costs**
This week, the Senate Aging Committee held a hearing entitled, “The Complex Web of Prescription Drug Prices, Part III: Examining Agency Efforts to Further Competition and Increase Affordability,” focusing on solutions to rising prescription drug costs, including legislation to enhance generic and biosimilar competition, improve price transparency, and address out-of-pocket costs, with testimony from federal officials. Chairman Susan Collins (R-Maine) emphasized bipartisan interest in Congress to provide patients with relief from “sky high” drug costs, calling for action to make medicines more affordable, improve price transparency and stop practices that inappropriately limit competition. She highlighted her legislation, the Biologic Patent Transparency Act, to address unfair “gaming” of the patent system. A panel of federal officials representing HHS, CMS and FDA discussed the Administration’s actions and proposals to address drug prices. The director of the CMS Center for Medicare described the proposal to modify the Medicare Part D program to establish an out-of-pocket cap and improve negotiations between manufacturers and pharmacy benefit managers (PBMs). A witness from the Health and Human Services Office of Inspector General described the Administration’s proposed rebate rule affecting Medicare Part D and Medicaid managed care, citing actuarial analyses that the rule would reduce beneficiary costs overall, particularly for the sickest beneficiaries and those taking higher cost drugs. Members on both sides of the aisle expressed interest in understanding the potential impact of the HHS rebate rule, with Chairman Collins and Sen. Jeanne Shaheen (D-N.H.), who joined the Committee for the hearing, asking for information in writing regarding the impact of the rule on insulin prices.

**HELP Committee considers proposal to reduce health care costs**
This week, the Senate Health, Education, Labor, and Pensions (HELP) Committee held a hearing on the Lower Health Care Costs Act, bipartisan draft legislation released by Committee Chairman Lamar Alexander (R-Tenn.) and Ranking Member Patty Murray (D-Wash.). The legislation follows the Committee’s examination of health care costs over two Congresses, and includes bipartisan proposals on surprise medical billing, prescription drug costs, health care transparency, public health initiatives such as maternal mortality, and health information technology. Chairman Alexander and Ranking Member Murray repeatedly emphasized their bipartisan partnership to reduce out-of-pocket costs for Americans and agreed the draft legislation represents a first step to reign in health costs. The Chairman stated he prefers to resolve payment disputes in surprise medical billing situations by requiring an in-network guarantee – one of three options in the draft bill. Witnesses also offered different views regarding transparency initiatives. A witness representing large employers noted that employers need more information about pharmacy benefit manager rebates, as provided in the bill, and access to information about provider costs and quality. Conversely, the witness for the American Hospital Association raised concerns over transparency of hospital charge masters and negotiations between providers and hospitals.

**House Small Business Committees examines cannabis opportunities**
This week, the House Committee on Small Business held a hearing titled, “Unlocked Potential? Small Businesses in the Cannabis Industry.” The hearing focused on the opportunities the legitimate cannabis industry presents for small businesses in states with legal cannabis, as well as entrepreneurs from traditionally underserved communities. NCPA continues to monitor government action in the cannabis
space from the retail perspective, including any legislative and regulatory hearings on the issue. Additionally, NCPA will be submitting comments to the FDA on its CBD hearing from last month this July.

**New NCPA issue brief differentiates pharmacy DIR and manufacturer rebates**
A new NCPA issue brief (attached) differentiates pharmacy DIR from manufacturer rebates to help policymakers understand the importance of specifically addressing pharmacy DIR fees. Manufacturer rebates are a separate class of DIR in the Medicare program and policies focused on rebates will not solve the issue of pharmacy DIR fees. In fact, NCPA has advocated that pharmacy DIR fees must be addressed before, or at least along with, any changes regarding manufacturer rebates.

**NCPA discusses compounding with FDA**
This week, NCPA’s regulatory and policy team was invited to two listening sessions with FDA and other pharmacy groups to discuss pharmacy compounding issues and provide FDA with insight into the pharmacy perspective and the importance of protecting patient access to these medications. Specifically, the listening session focused on the revised draft memorandum of understanding between FDA and the states, the FDA insanitary conditions guidance, and the 503A bulks list, as well as compounding education. NCPA will continue to stay actively engaged with the agency on these issues to effectively represent community pharmacy compounding.

**Legislation moves forward in the states**
This week, the following state legislative measures advanced:

- Delaware [HB 194](#), which would require PBM licensure and strengthen MAC transparency laws, has passed the House and will be delivered to the Senate.
- Delaware [HB 24](#), which prohibits copay clawbacks, was passed by the Delaware General Assembly and is on its way to Gov. John Carney (D) for his signature.
- Maine [LD 1504](#), a PBM licensure bill, has been passed by the Maine Legislature and awaits the signature of Gov. Janet Mills (D).
- New York [A2785](#), a medication synchronization bill, passed both chambers of the legislature. It awaits the signature of Gov. Andrew Cuomo (D).
- New York [S6297](#), which would prohibit the use of spread pricing in commercial plans, passed the Senate and has been delivered to the Assembly.
- New York [S6531](#) passed the Senate and has been delivered to the Assembly. The bill would require PBM licensure, strengthen reimbursement appeals laws, and require PBMs to act as fiduciaries.
- Oregon [HB 2185](#) has passed the Oregon State Legislature, and now awaits the signature of Gov. Kate Brown (D). The bill strengthens MAC transparency laws, prohibits a PBM from implementing mandatory mail-order requirements, and protects a pharmacy’s right to deliver medications.

**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. Attached is 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.