



# Capitol Agenda

## THE INDEPENDENT FORUM

INDEPENDENT PHARMACY COOPERATIVE  
April 2017

### Congress Weighs Options to Repeal and Replace the Affordable Care Act of 2010

In March, the House Committee on Ways & Means pulled legislation designed to repeal and replace the Affordable Care Act of 2010 (ACA). However, the Trump Administration and members of the House of Representatives recently announced that they will continue to look to effectuate changes to the law. Key areas that will likely be scrutinized: 1) remove taxes and mandates—including the individual and employer mandate penalties; 2) empower individuals and families to spend their health care dollars by enhancing and expanding Health Savings Accounts; and, 3) lessen marketing dollars and patient cost-sharing subsidies. It would appear that Medicaid “block grants” are now off the table prompting several Republican Governors to proceed with Medicaid expansion. It is important to note that pharmacy is not a “essential benefit” under the American Health Care Act (AHCA) and several members of Congress have called for eliminating benefits and services now required by the ACA.

### Federal Court Upholds Challenge to Arkansas Law

**Judge tosses PCMA's repayments suit.**

Chief U.S. District Judge Brian Miller threw out a 2015 lawsuit in which PCMA challenged the constitutionality of an Arkansas law that governs how pharmacists are reimbursed for dispensing generic drugs. The legislation requires PBMs to reimburse pharmacies at or above the cost the pharmacy paid for any generic drugs from a wholesale supplier. It was supported by pharmacists as long overdue and a way to stop the benefits managers from shorting them on reimbursements by using Maximum Allowable Cost lists with outdated prices. Miller's 23-page order notes that “independent community pharmacies have had to eliminate employees in the last 5 to 10 years due to the financial hardships they have faced. The Arkansas legislature passed and amended Arkansas Code Annotated section 17-92-507 in an attempt to address this issue.” The court decision was in stark contrast to an earlier U.S. Court of Appeals for the 8th Circuit ruling vacating an Iowa state law regulating pharmacy benefit managers, but did concede the Appellate Court's finding of an Employee Retirement Income Security Act of 1974 (ERISA) preemption.

### IPC Sponsors Midwest Pharmacy Expo Political Leadership Reception

**Former Iowa Governor and Obama Secretary of Agriculture Tom Vilsack** keynotes the event.

The annual Midwest Pharmacy Expo gathered pharmacy leadership from six states. IPC hosted a meeting with pharmacy association executive directors

from Illinois, Nebraska and Iowa to discuss DIR fees, provider status, Medicaid reimbursement and collaborative practice agreements.

Pictured below L to R: IPC Consultant David Adelman; IPC Government Relations Director Jim Driscoll; NPA CEO Joni Cover; IPC Executive Director Kate Gainer; IPC Legislative Counsel Bill Wimmer; IPC Executive Fellow Sarah Derr; IPC Legislative Counsel Angela Davis; and, IPhA Executive Director Garth Reynolds.



### CMS Encourages States to Expand Pharmacists' Scope of Practice

In a guidance released earlier this year, the Centers for Medicare & Medicaid Services (CMS) encourages state Medicaid programs to consider expanding the ability of pharmacists to prescribe, modify, or monitor drug therapy to promote patient

access to medically necessary and time-sensitive drugs. CMS notes that expanding pharmacists' scope of practice allows states to facilitate timely access to medications and can help address priority public health issues.

### CMS Finds PART D Plans Benefit From Higher Direct Indirect Remuneration (DIR)

Recently CMS released a study that found “high cost DIR arrangements ease the financial burden borne by Part D plans essentially by shifting costs to the catastrophic phase of the benefit, where plan liability is limited.”

It is evident that the scheme likely results in higher costs to Medicare beneficiaries and tax payers. IPC continues to meet with Congressional leaders and CMS on this issue.

## THE INDEPENDENT FORUM

### IPC Recognizes Susan Eggman as Legislator of the Year



IPC is proud to announce Assemblywoman Susan Eggman as Legislator of the Year.

We are honored to recognize Eggman for her sponsorship of the California AB1114 bill, which seeks to improve Medi-Cal beneficiaries' access to preventative health services by requiring Department of Health Care Services (DHCS) to establish a system for pharmacists to provide specific services in the Medi-Cal program. The bill requires DHCS to create a reimbursement schedule for pharmacists in the Medi-Cal

fee-for-service (FFS) program to be reimbursed at 85% of a physician rate for preventative services they are authorized to provide pursuant to recent scope enhancements. As the most accessible healthcare professionals in their local communities it is important for pharmacists to be recognized as providers and have the ability to be reimbursed for offering a variety of important medical services. The transition from billing exclusively under the

drug benefit to also billing for services covered by the medical benefit is a logical and cost-effective approach to patient care. Government and private payers are recognizing the cost saving of engaging pharmacist interventions which allows for new financial opportunities for community pharmacies. Eggman was elected in November 2012, and re-elected in 2014, to represent the 13th Assembly District.



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### *IPC at Work for You!*



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**Mark Kinney**

Mark Kinney is the Senior Vice President of Government Relations at IPC. With more than 15 years of state and federal legislative experience, Kinney represents independent pharmacy nationwide. He has participated in numerous legislative conferences and committees and is a noted speaker for state and national pharmacy events.



**Jim Driscoll**

IPC Director of Government Relations Jim Driscoll focuses his state efforts on community pharmacy issues, including Medicaid reimbursement, unfair audit requirements and PBM transparency. Driscoll targets individual state concerns and provides assistance for passage of pro independent pharmacy legislation relating to these topics.



**John Covello**

Director of Government Relations John Covello brings more than 20 years of rich background in governmental relations at the local, state and federal level. John directs IPC's legislative and regulatory initiatives in key states as well as assists on IPC's federal efforts for community pharmacy.



**Brad Young**

Brad Young brings extensive government affairs experience to IPC having served 11 years in the Colorado House of Representatives. Young has participated in effective lobbying efforts on issues such as Medicaid Reimbursement rates, pharmacy audits, drug substitution, drug discount cards, and many others.

### IPC Government Relations Team

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