

# IPC Applauds Congress for Enacting Long Overdue Medicare Part D PBM Reform

## Congressional Oversight Needed of CMS Implementation

### Background

For years, complaints regarding Pharmacy Benefit Managers (PBMs) Medicare Part D prescription program operations raising drug costs at the expense of seniors and their pharmacy providers. In response, Congress passed the first significant reforms to Medicare Part D in nearly 20 years. These reforms: assure Medicare Part D beneficiaries' pharmacy access & choice and Part D modernization & accountability.

### IPC applauds Congress' action to begin to end Part D PBM abuses by enacting these reforms:

- PBM Part D pharmacy contracts required to have "reasonable and relevant" terms.
- Protect "any willing pharmacy" Part D patients' access rights.
- Ban pharmacy payment claw backs.
- Delink PBM compensation from pricing (fee-based payments only).
- Have CMS identify and track "essential retail pharmacies".
- Part D PBMs reporting to and oversight by CMS.

IPC thanks Congress for passing these long overdue Part D reforms and believes they will not only end PBM abuses that harm senior patients and their pharmacy provider but also taxpayers. For these reforms to be in place for the Part D Plan Year 2029, there is much work CMS must complete over the next 2 years and requires much input.

### Key to Part D Reform Success – Congressional Monitoring and Oversight of CMS Implementation

As with any Medicare changes, constant involvement and monitoring of CMS' implementation of these new Congressionally mandated Part D Program requirements.

### IPC asks Congress to monitor and conduct oversight of the CMS implementation of the following Part D reforms to follow Congressional intent:

- **PBM Compensation Reform** - limits PBM compensation to "bona fide service fees"
- **"Any Willing Pharmacy" Contract Protections**
- **"Reasonable & Relevant" PBM Pharmacy Network Contracting Terms and Conditions** – (4/2028)
- **Post Prescription Claims Payment "Claw Back" Ban**
- **Essential Pharmacy Designation** – Ensure CMS identifies and tracks "essential retail pharmacies"
- **Reporting & Oversight:** CMS monitoring of pharmacy payment trends; mandate a system for violation reporting for PBM disclosure on pharmacy reimbursement and "spread pricing"