

Community Oncologists Urge CMS to Take Stronger Action to Curb Pharmacy Benefit Manager Fees

COA Says CMS Proposal to Address DIR Fees is Good First Step, But Washington

Must Do Much More to End Destructive Fees and Practices That Drive Up Costs

WASHINGTON, DC, UNITED STATES, March 7, 2022 /EINPresswire.com/ -- As pharmacies that are



Pharmacy Benefit Manager
Exposé: How PBMs
Adversely Impact Cancer
Care While Profiting at the
Expense of Patients,
Providers, Employers, and
Taxpayers”

*Kashyap Patel, MD, president
of COA*

forced to pay extraordinarily high fees to medical middlemen shutter forever, the Community Oncology Alliance (COA) is today urging action before the problem worsens.

In a formal comment letter to the Centers for Medicare & Medicaid Services (CMS) on its proposed rule to regulate pharmacy benefit manager (PBM) fees, COA warned regulators that, without further action, PBMs will simply abuse loopholes to blunt the positive impact of the proposal, shifting to other fees and tactics that will continue to artificially raise drug costs for Medicare

beneficiaries, forcing pharmacy providers out of business in the process.

In the letter, COA warns CMS to take other steps to significantly strengthen the proposed rule it has put forth using its statutory authority, such as ensuring that all reimbursement provided to pharmacy providers not be lower than the acquisition cost for the drugs dispensed.

• [Read COA's full comment letter to CMS on the proposed PBM fee rule.](#)

At issue in the proposed rule are arcane “direct and indirect remuneration” (DIR) fees that PBMs charge pharmacies. Independent and retail pharmacies, as well as those associated with specialty cancer and urology practices, get socked with DIR fees that have grown enormously in recent years. CMS notes that they grew an outrageous 91,500% between 2010 and 2019. They are also unpredictable, non-negotiable, and often “clawed back” from pharmacy reimbursement months after prescriptions are dispensed.

In the comment letter, COA noted that DIR fees are based on irrelevant “quality” criteria for oncology specialty pharmacies that have no ability to contest or negotiate them. DIR fees have had a devastating effect on pharmacies and patients. Since pharmacies are in the dark about DIR fees for each drug they dispense until months after the point-of-sale, they often end up getting paid less than the pharmacy’s cost of the drug. In some cases, pharmacies have been forced to close, most acutely jeopardizing patients in rural and underserved areas who are then forced to travel significant distances to get their medication.



Community Oncology Alliance Logo

“My patients should not be saddled with artificially higher drug prices from PBM DIR fees that drive up the cost of treatments. Ever since PBM behemoths have started to quietly take over the American health care system, cancer care has become more and more expensive, not less,” said Kashyap Patel, MD, president of COA and a practicing medical oncologist and CEO of Carolina Blood and Cancer Care Associates in Rock Hill, South Carolina. “CMS should be applauded for taking this first step in reforming the out-of-control PBM industry, but so much more is needed. Washington must curb PBM bad behavior so that we can treat patients with cancer more cost-effectively.”

“CMS is finally taking steps to meaningfully regulate DIR fees that PBMs profit from but that are driving pharmacies out of business. COA supports the proposed rule but, as our letter to CMS shows, more can and must be done to ensure PBMs don’t just sidestep the regulations,” said Ted Okon, executive director of COA. “It is critical that regulators and policymakers in Washington take these policy changes much farther to protect patients and pharmacies from predatory PBM practices.”

In the letter, COA provides detailed comments, concerns, and recommendations on various elements of the proposed rule, including:

- Inclusion of Pharmacy Price Concessions in Negotiated Price
- Lowest Possible Reimbursement Amount at Point-of-Sale
- Definition of Negotiated Price in the Coverage Gap
- Clarification of Pharmacy Administrative Service Fees and Price Concession
- Clarification on Any Willing Provider Law

- Proposed Enhancements to CMS Dispute Resolution Process
- Updated Pharmacy Quality Measures

COA is a national non-profit organization dedicated to advocating for the complex care and access needs of patients with cancer and the independent, community oncology practices that serve the majority of Americans receiving treatment for cancer.

Within many community oncology practices, in-house pharmacies provide oral and infused drugs, prescribed by the practice physicians, which are used to treat cancer, as well as cancer-related conditions. In the last decade, in-house pharmacies have emerged as a vital component in the quest to provide patients with high-quality, high-value, and convenient personalized cancer care.

The benefit of in-house pharmacies has become even more evident with the increase in the number of new oral cancer drugs coming to market and the rise of third-party specialty pharmacies, whose use is increasingly required by payers and PBMs. [COA strongly supports and encourages](#) the use of physician in-office dispensing and/or pharmacies for patients with cancer as an integral part of modern, patient-centered, coordinated, safer, high-quality cancer care.

Recently, COA released a report, "[Pharmacy Benefit Manager Exposé: How PBMs Adversely Impact Cancer Care While Profiting at the Expense of Patients, Providers, Employers, and Taxpayers](#)," that is a comprehensive exposé and legal analysis of the most pervasive and abusive PBM tactics, highlighting the adverse impact they have on patients, providers, and health care payers (including Medicare, Medicaid, employers, and taxpayers). This is the third report on the impact of PBMs on patients and practices that COA has produced.

Others include an exploration of the PBM CVS Caremark's Efforts to Restrict Patient Access to community oncology pharmacies and a recent investigation into murky "DIR fees" that PBMs charge pharmacies.

Read COA's full comment letter at <https://www.communityoncology.org/publications/coa-comment-letter-on-cms-proposed-rule-to-regulate-pbm-fees/>

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About the Community Oncology Alliance: COA is a non-profit organization dedicated to advocating for community oncology practices and, most importantly, the patients they serve. COA is the only organization dedicated solely to community oncology where the majority of Americans with cancer are treated. The mission of COA is to ensure that patients with cancer receive quality, affordable, and accessible cancer care in their own communities. More than 5,000 people in the United States are diagnosed with cancer every day and deaths from the disease have been steadily declining due to earlier detection, diagnosis, and treatment. Learn more at www.CommunityOncology.org. Follow COA on Twitter at www.twitter.com/oncologyCOA

or on Facebook at www.facebook.com/CommunityOncologyAlliance.

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