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# Pharmacy Organizations Issue Letter on DIR Fees



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Six organizations representing the diverse pharmacy profession jointly delivered a letter to President Donald Trump on Monday, June 10, advocating for DIR fee reform.

~~Together, the NCPA, NACDS, APhA, National Association of Specialty Pharmacy, Food Marketing Institute, and National Grocers Association are asking the President, Congress, or both to relieve pharmacies and pharmacists of DIR burdens which have inflated drug costs paid by patients and the government, and continue to force pharmacies to fill Medicare prescriptions below cost.~~

“We write to voice our disappointment that the final rule, Modernizing Part D and Medicare Advantage to Lower Drug Prices and Reduce Out-of-Pocket Expenses, did not address onerous [DIR] fees that have increased 45,000% since 2010, with no savings passed onto beneficiaries. This number will continue to grow if these practices are not reformed,” the pharmacy community wrote to President Trump.

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According to the release, the pharmacy groups emphasize that CMS’ own estimates determined that if the policy were adopted in 2020 or a later year, beneficiaries would save between \$7.1 billion and \$9.2 billion over the course of 10 years as a result of reduced cost-sharing and offset by higher premiums.

The CMS also estimates that manufacturer would save about \$4.9 billion to \$5.8 billion over the course of 10 years. Cost to government would sit between \$13.6 billion to \$16.6 billion during that time.

As the ruling stands, DIR legal loopholes are allowing for abuses that are raising costs for pharmacies, according to the NACDS.

In particular, payers clawback the reimbursement fees paid to pharmacies for Medicare prescriptions, which the NACDS says often occurs more than half of a year after the transaction occurred. Reimbursement fees are based upon quality performance, yet the NACDS says in a statement that the metrics "lack transparency, vary widely, and often do not reflect areas under pharmacy’s control."

“We request your immediate help to address DIR reform this year in order to eliminate practices that drive up patient and government spending on drugs. We appreciate [Health and Human Services] Secretary Azar’s engagement with the pharmacy community on DIR reform, and understand that the Administration is willing to support a legislative solution to this critical issue. We stand ready to work with you and your administration to pursue additional opportunities, such as legislation, to move DIR reform forward,” the groups writes.

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