



A 4-Point Plan for Removing Barriers to Care and Engaging Your State's Independent Pharmacies to Combat the Spread of COVID-19

To State Governors, Insurance Commissioners and Boards of Pharmacies:

Pharmacists United for Truth and Transparency ([PUTT](https://truthr.org)) is a nonprofit advocacy organization dedicated to preserving the nation's independent pharmacies and their ability to care for patients. Pharmacists and pharmacy staff are among the millions of healthcare workers serving on the frontlines of the global novel coronavirus pandemic. A significant number of pharmacies are independent small businesses serving small communities of fewer than 50,000 where they are often the only accessible healthcare provider.

Prior to the onset of COVID-19, pharmacies faced a number of barriers to care. Now, as the nation faces the greatest threat to public health in a century, pharmacies - especially small business pharmacies - are burdened by a number of pharmacy benefit manager (PBM) practices that are hampering patient access to care and preventing states from fully utilizing the "small but mighty" independent pharmacy force to slow the virus' spread.

There are a number of voices currently calling for change in the face of the pandemic. PUTT sees **4 straight-forward actions** states can take to remove barriers and maximize access to care:

1. **Halt PBM Pharmacy Audits During the Pandemic**¹. PBM pharmacy audits - typically conducted onsite or as an offsite "desk" audit - result in cumbersome, redundant taskwork that must be completed by the PBM's deadline or pharmacies risk loss of reimbursement and/or stiff financial penalties. During the pandemic, audits force pharmacy staff to stop assisting their patients and divert that time instead to filing, copying and other administrative work. **By calling a halt to PBM audits until the coronavirus is contained, you will free up pharmacy staff time to provide patient care.**
2. **Call a Moratorium on PBM Transaction and Miscellaneous Fees**². Pharmacies who serve patients with insurance coverage are required to participate in PBM provider networks in order to receive reimbursement for prescriptions dispensed. PBMs require participating pharmacies to pay a transaction fee for every reimbursement claim submitted and miscellaneous fees for other services including "network certification",

¹ Ohio and Oklahoma have temporarily stopped the practice of PBM pharmacy audits during COVID-19.

² PBM transaction fees charged to pharmacies are illegal in Texas. PUTT has model language available for use to assist with emergency declarations. Please contact Monique Whitney, monique@truthrx.org.



help desk assistance and claims appeals. These fees can add up to \$30,000 or more per pharmacy and are “gravy” money for PBMs. These fees are in addition to the per-independent pharmacy average of \$129,614 DIR fees paid in 2018.³ **At a time when pharmacies are struggling to keep inventory on the shelves and labor to assist patients, a moratorium on transaction and miscellaneous fees will free up cash flow to help small business pharmacies stay open and in service.**

- 3. Mandate PBMs reimburse pharmacies at the current market acquisition cost plus a reasonable dispensing fee.** Hydroxychloroquine and other medications mentioned by President Trump in his daily briefings have dramatically increased in price for a number of reasons, but PBMs hold pharmacies to often draconian levels of low reimbursement that render these pharmacies in the red. **No business can sustain without being made whole and paid at reasonable margin for providing service.** The Centers for Medicaid and Medicare have determined what constitutes a “reasonable” dispensing fee for each state. Small business pharmacies and their staff are no less busy and no less at risk for their safety than giant retail chain pharmacies and staff - but **in the absence of deep corporate pockets, independent pharmacies are at risk for closure if they cannot recoup their costs to pay their bills.**
- 4. Allow Pharmacists to Administer FDA-Approved Vaccines and/or Allow Provider Status for Pharmacists.** Pharmacists ARE healthcare providers, and a crucial member of the patient’s healthcare team. Pharmacists already counsel patients, provide flu and some select vaccinations, and assist patients with their medication therapy. **As the COVID-19 pandemic continues to swell in the U.S., independent pharmacists can provide coronavirus testing as well as certain clinical services to ease the burden on hospitals, clinics and emergency rooms.** These services include administering FDA-approved vaccinations, testing patients for certain illnesses and prescribing treatment and testing for the novel coronavirus. **These are services pharmacists can provide patients cost effectively and immediately -- without an appointment.**

Not long ago the country worried about the high cost of prescription medication. Those concerns are still valid, no less so during COVID-19. Ultimately we, as a country, can “flatten the curve” of the high cost of medication by engaging in smart, thoughtful PBM reform. But until the coronavirus is contained, action in these 4 critical areas will allow independent pharmacies to provide quality, uninterrupted care in the eye of the pandemic storm.

³ Direct and Indirect Remuneration (DIR), a federally-mandated fee collected by PBMs and meant to offset Medicare costs. DIR fee critics question the percentage of fees collected that are retained by PBMs rather than directed to the Centers for Medicare and Medicaid. 2018 data collected in a national survey conducted by Pharmacists United for Truth and Transparency, [TruthRx.org/covid19response](https://truthrx.org/covid19response).