

Congress of the United States  
House of Representatives  
Washington, DC 20515-2003

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March 5, 2014

Ms. Marilyn Tavenner  
Centers for Medicare & Medicaid  
7500 Security Boulevard  
Baltimore, MD 21244

Dear Ms. Tavenner:

I am writing today to advocate for the finalization of several provisions found in the proposed changes to the Medicare Parts C and D programs rule for 2015 released by the Centers for Medicare and Medicaid Services (CMS) on January 6, 2014. Specifically, I strongly support CMS' recommendation that Part D plan sponsors offer terms and conditions for every level of cost sharing, including preferred cost sharing, to any willing pharmacy that will accept the terms. I also support CMS' recommendation for the expansion of access to critical medication therapy management (MTM) services under Part D, as well as CMS' efforts to address concerns over Maximum Allowable Cost (MAC) pricing.

Both independent community pharmacies as well as Medicare beneficiaries in my district have been negatively impacted by the unintended, but often adverse, consequences of Medicare Part D preferred network plans. Many of these plans steer beneficiaries to a small number of pharmacies that may be located 20 miles away or more from their homes and seniors are often disappointed to learn that their local community pharmacy cannot offer the plan's lowest advertised co-pay because the pharmacy is not included in their Part D plan's "preferred pharmacy" network. Moreover, independent pharmacies have reported not being given the opportunity to participate in the preferred network, even if they are willing to accept the terms and conditions of the network, including reimbursement. I am therefore very encouraged by the proposed clarification that Part D plan sponsors offer terms and conditions to any pharmacy willing to participate and accept those terms.

Community pharmacies have been providing MTM related services for many years, to different patient populations, including Medicare Part D beneficiaries. These services are critical to helping patients adhere to their medication regimens which help to reduce hospital readmission rates and lower costs for the entire healthcare system. I support efforts to expand these services, especially those that can be provided face-to-face with a beneficiary's trusted community pharmacist.

Finally, I applaud CMS for recognizing the necessity to define "prescription drug pricing standard" which will help to bring much needed transparency to drug pricing. Additionally, the recommendation that Part D sponsors "disclose all individual drug prices to be updated to the applicable pharmacies *in advance* of their use for reimbursement of claims" would be a positive step in shining a light on the process of how pharmacy benefit managers (PBMs) set MAC prices. In addition, the requirement that MAC prices be regularly updated will prevent

community pharmacies from being severely underpaid when drug prices spike for any reason, as we have seen recently with a number of generic drugs.

I have also attached a letter from one of my constituents, George Garmer, who owns an independent pharmacy in my district. Mr. Garmer has several suggestions that will help level the playing field for independent pharmacists and improve benefits for seniors. Please take both my and his comments into consideration as you finalize this rule.

Thank you for your attention to these matters and please contact my office if you have any additional questions.

Sincerely,

A handwritten signature in black ink, appearing to read "John P. Sarbanes", with a long horizontal flourish extending to the right.

John P. Sarbanes  
Member of Congress

JPS/ch