

H.R. 6331, MEDICARE IMPROVEMENTS **FOR PATIENTS AND PROVIDERS ACT:** **PHARMACY PROVISIONS**

NCPA and our member pharmacies have fought so long for fair treatment by the government and finally Congress passed several provisions which became law after the House and Senate overrode the President's veto. These provisions will ease some of the heavy burden that has been placed on community pharmacy. The override vote was as follows:

House vote- 383 to 41 (290 needed)

Senate vote- 70 to 26 (67 needed)

The provisions that impact community pharmacy:

1) Prompt Pay (Sec. 171)

- Ensures "prompt payment" to community pharmacy by Part D plans for prescriptions.
- Part D plans must reimburse pharmacies within 14 days for claims filed under Medicare Part D.
- The prompt pay provisions begin for all Part D plans that start on or after January 1, 2010.

2) AMP Delay (Sec. 203)

- Delays implementation of the drastic Medicaid cuts to pharmacy until September 2009.
- If implemented retail pharmacy faced a reimbursement of 36%, on average, below acquisition cost for every generic prescription under Medicaid.
- This delay will be in effect until September 2009, giving Congress time to fix the unfair reimbursement formula (AMP) authorized by the Deficit Reduction Act and written by CMS.
- No AMP data can be made public until or after October 1, 2009.
- The lawsuit filed by NCPA and NACDS against CMS is currently pending in federal court.

3) Delay of the DME Competitive Bidding Process (Sec. 154)

- Exempts retail pharmacy from prices changes to diabetic test supplies that would reduce patient access to them at local community pharmacies.
- Postpones sales under rounds one and two of the bid program for 18 to 24 months
 - *Terminates contracts awarded under round one and restarts the contracting process in those areas in 2009. The round two contracting process would begin in 2011.*
 - *CMS cannot apply bid rates in non-bid areas nationwide until round two is completed.*

**A one year, nationwide reduction in fees of 9.5% for the 10 product categories included in round one. Retail diabetes test supplies are not affected.*

**Items that will not be subject to bidding in a future bid area will receive the full CPI (cost of living) update in 2010-2013, and a CPI plus 2% increase in 2014.*

- *Requires bidding process improvements*
 - *Authorizes CMS to subdivide MSAs with more than 8 million people.*
 - *Exempt rural areas and MSAs with a population of less than 250,000 from competitive bidding for at least five years.*
- *Accreditation is still mandatory and in order to participate in DMEPOS, a provider must be accredited by September 30, 2009.*

4) Inclusion of Barbiturates and Benzodiazepines as Covered Part D Drugs (Sec. 175)

- *Applies to prescriptions dispensed on after January 1, 2013.*

5) Incentivizes the use of e-prescribing in Medicare (Sec. 132)

- *Physicians will receive incentives to utilize electronic prescribing.*

6) Claims by Pharmacies Located in or Contracting with Long-term Care Facilities (Sec. 172)

- *Pharmacies located in or contracting with long-term care facilities must be allowed at least 30 days to submit their claims to the Part D plan (but not more than 90 days)*
- *Effective January 1, 2010.*

7) Regular update of Part D Drug Pricing Standard (Sec.173)

- *Part D plans which use a standard for pharmacy reimbursement based on the cost of a drug must include in contracts entered into with pharmacies a provision that the Part D plan must update the standard at least once every 7 days, beginning with an initial update on January 1 of each year, to accurately reflect the market price of acquiring the drug.*
- *This provision becomes effective on January 1, 2009.*