McKnights Long-Term Care

Feds take 'massive' step toward new pay system for LTC pharmacies

By Jim Berklan | Published November 17, 2026

Long-term care pharmacy advocates took a victory lap this week, hailing what they see as a historic step in their quest to get greater recognition — and pay — from government leaders. The source of their pleasure was congressional leaders' request for the Government Accountability Office to review Medicare Part D's payment system for LTC pharmacy work.

In what is believed to be an unprecedented move, House Energy and Commerce Committee Chairman Brett Guthrie (R-KY) and Health Subcommittee Chairman Morgan Griffith (R-VA) asked the GAO to review Part D payments and the impact of recent policy changes.

"This is the biggest specific report on long-term care pharmacy since Part D came into existence," said Esmé Grewal, president and CEO of the Senior Care Pharmacy Coalition.

"I don't want to overplay it, but if you're looking at a new reimbursement system and the steps to do that in a thoughtful way, this is a massive step in that direction," she told *McKnight's Long-Term Care News* in an interview Monday. "MedPAC didn't even look at the system other than a short look in 2019 with no report on it, and I don't think the GAO has ever done anything on long-term care [pharmacy]."

Guthrie and Griffith's letter asks the GAO to examine reimbursement to LTC pharmacies, the effects of Medicare drug price negotiations, trends in LTC pharmacy network participation, and the costs pharmacies incur to meet Medicare's minimum performance and service requirements.

Drug price negotiation, in particular, has been seen as a threat to LTC pharmacy viability, with a summer analysis finding reimbursement for the initial drugs subject to the law's negotiated prices had fallen by more than 50% since 2026 prices took effect, with added dispensing fees covering only a fraction of the gap. In 2025, 60% of surveyed LTC pharmacies said the predicted cuts could force them to close or reduce services.

The lawmakers' request to the OIG was sent Nov. 10, and the push for the review is believed to have bipartisan support, Grewal said. She added that LTC pharmacy payment issues have not received similar recognition since SCPC's 2014 founding.

Taking on PBMs

Other pharmacy leaders praised the legislators' initiative for taking on huge pharmacy benefit managers, whose influence has grown exponentially in recent years, often to the detriment of traditional LTC pharmacy providers.

"Congress has rightly made reining in the worst PBM abuses a top priority, and I thank chairmen Guthrie and Griffith for pushing for transparency," said Chad Worz, CEO of the American Society of Consultant Pharmacists, in a statement to *McKnight's* Tuesday. "LTC pharmacies serve the most vulnerable patients in the country, with specialized packaging, 24/7 delivery and clinical oversight. Yet PBM reimbursement routinely falls below what it costs to provide the necessary care."

"Real data" from the GAO and Federal Trade Commission reports "must drive reforms that guarantee fair, reasonable reimbursement for LTC pharmacy services," he added. "That protects patients and families, and it lowers costs for taxpayers."

Robust debate desired

Grewal emphasized that SCPC is not interested in "dictating what the solution is" but rather is hopeful about getting "an array of feedback from a lot of experts."

"What we'd like is for them to really acknowledge there are a whole host of services that LTC pharmacies provide, that it's different than retail, and provides a whole host of clinical services for very complex populations essentially at no cost," Grewal said in an interview with *McKnight's*.

SCPC members include some of the largest pharmacy companies serving senior care facilities down to some of the smallest. Those most at risk from tightening reimbursements and increased regulatory strain are smaller, family-owned dispensers, Grewal noted. The ripple effects of their challenged sustainability may send more of them out of business and could cause patient access problems, she warned.

"With the doubling of the aging population in 20 years, how do you make sure this [pharmacy] service is solidified for those who need it most?" she posed. "Our hope is they take a really good look at how the service works, down to the intricate transportation and delivery system, which is unique in itself. A lot of things are overlooked and are not reimbursed. It's a very low-margin business."

The lawmakers' letter asks for a study to be completed within 12 months. Grewal hopes that investigators will discover ways to do things better and also complications to avoid.

"The most impressive levels of medication services are found in skilled facilities," Grewal said. "If you look at adherence, it's over 90%. It means people are getting the right drug at the right time, as opposed to the general public, where it's about 50%.

"Facilities are facing their own challenges in terms of financing and stabilization, in terms of Medicaid and Medicare payments. We're pretty adamant that the Part D system can figure out a way to properly reimburse these pharmacies and not burden facilities with additional payment concerns."