The Honorable Mehmet Oz, MD
Administrator
Centers for Medicare & Medicaid Services
U.S. Department of Health and Human Services
Attention: CMS-10241
7500 Security Boulevard
Baltimore, MD 21244–1850
Submitted electronically via regulations.gov

RE: CMS-10241 — Survey of Retail Prices (OMB Control No. 0938-1041)

November 2, 2026

Dear Administrator Oz,

The Senior Care Pharmacy Coalition (SCPC) appreciates the opportunity to provide comments on the Centers for Medicare & Medicaid Services' (CMS) proposed extension of the information collection associated with the National Average Drug Acquisition Cost (NADAC) survey. SCPC supports efforts to improve transparency in prescription drug pricing but urges CMS to recognize the unique characteristics of long-term care (LTC) pharmacies and the limitations of applying retail pharmacy acquisition cost benchmarks to this distinct pharmacy sector. **NADAC measures retail pharmacy drug acquisition costs, not LTC pharmacy reimbursement costs, and should not be used as a reimbursement benchmark for LTC pharmacies**.

About SCPC

SCPC is a national trade association representing approximately 1,400 LTC pharmacies across the United States. Our members provide essential medications and specialized pharmacy services to individuals residing in skilled nursing facilities, nursing facilities, assisted living communities, group homes, and other long-term care settings.

SCPC advocates for federal policies that recognize the unique role of LTC pharmacies and ensure that vulnerable patients continue to have access to the medications and pharmacy services they need.

The Unique Role and Cost Structure of LTC Pharmacies

LTC pharmacies operate under a fundamentally different model than traditional retail pharmacies. While retail pharmacies generally dispense medications directly to patients, LTC pharmacies provide comprehensive medication management and specialized pharmacy services to individuals with complex medical needs, coordinating closely with physicians, nurses, facility staff, and other caregivers.

These specialized services include customized medication packaging, scheduled and emergency medication deliveries, medication regimen reviews, consultant pharmacist services, medication reconciliation, and around-the-clock clinical support. LTC pharmacies also accommodate frequent medication changes, coordinate medication deliveries to align with residents' medication administration schedules, and maintain the infrastructure necessary to ensure timely access to medications, including during nights, weekends, and emergencies.

These services require substantial investments in personnel, technology, infrastructure, and delivery systems that distinguish LTC pharmacy operations from traditional retail pharmacy practice. These additional costs are not captured by drug acquisition cost benchmarks such as NADAC, which are designed to measure the cost of acquiring medications rather than the cost of dispensing them and providing associated pharmacy services.

LTC Pharmacy Cost-to-Dispense Study

Despite the specialized services they provide, LTC pharmacies frequently receive dispensing fees that fall far below their actual costs. Part D dispensing fees for LTC pharmacies have commonly been $1 or less for generic drugs, which account for approximately 90% of LTC prescriptions, and around $4.50 for brand-name drugs.

SCPC's 2024 cost analysis found an LTC pharmacy cost to dispense of approximately $17.65 per prescription[1], highlighting the significant gap between reimbursement and the costs associated with providing these essential services. By comparison, state Medicaid dispensing fees for all pharmacies commonly average approximately $10–$12 per prescription.

These findings underscore the importance of reimbursement methodologies that recognize the specialized services and operational costs associated with LTC pharmacy practice. While NADAC provides information about drug acquisition costs, it does not capture the additional costs of dispensing medications and delivering the specialized services required in long-term care settings.

Limitations of NADAC in LTC Pharmacy Reimbursement

LTC pharmacies operate under a distinct reimbursement model, with Medicare Part D accounting for the majority of their prescription reimbursement. As a result, LTC

[1] CliftonLarsonAllen LLP, *Long-Term Care Pharmacy Cost Analysis*, prepared for the Senior Care Pharmacy Coalition (2024). See: https://seniorcarepharmacies.org/wp-content/uploads/CLA_Long-Term_Care_Pharmacy_Cost_Analysis.pdf

pharmacies are particularly dependent on Part D plan and pharmacy benefit manager (PBM) contracting arrangements.

Like retail pharmacies, LTC pharmacies generally receive reimbursement for drug ingredient costs and a dispensing fee. However, LTC pharmacies must provide a broader range of specialized services, including medication packaging, delivery, medication management, and coordination with facility staff, often without separate compensation for these services.

Because NADAC reflects retail pharmacy acquisition costs rather than the distinct costs and operational realities of LTC pharmacy practice, it should not be used as a reimbursement benchmark for LTC pharmacies. Doing so risks further widening the gap between reimbursement and the actual costs of providing essential medications and pharmacy services to long-term care residents. Any acquisition-cost standard CMS applies to LTC pharmacies should rest on LTC pharmacy data.

Conclusion

SCPC appreciates CMS's continued efforts to improve transparency and accuracy in prescription drug pricing. However, it is essential that the NADAC survey and resulting benchmark not be used in ways that overlook the distinct costs, services, and reimbursement arrangements associated with LTC pharmacy practice.

We urge CMS to recognize the limitations of applying retail pharmacy acquisition cost benchmarks to LTC pharmacies and to ensure that the survey methodology and resulting data appropriately reflect these distinctions.

Thank you for your consideration of these comments. We welcome the opportunity to work with CMS to ensure that federal pharmacy payment policies appropriately recognize the unique role and costs of LTC pharmacies.

Sincerely,



Shara Siegel Selonick
Vice President of Strategy and Government Affairs
Senior Care Pharmacy Coalition (SCPC)
sselonick@seniorcarepharmacies.org
(314) 368-1752