

CONGRESS MUST ACT NOW TO SAVE SENIOR RX ACCESS

Pass the LTC Pharmacy Fix in 2024!

Long-term care (LTC) pharmacies deserve fair payment and a level playing field to negotiate with PBMs. This is the only way to assure essential pharmacy services for the millions of Americans who rely on long-term care.

THE ISSUE: Lowering Rx drug prices is good for seniors. Unintentionally limiting their access to essential LTC pharmacy services is not.

- The new policies driving lower drug prices will have unintended consequences for LTC pharmacies, facilities, and patients, threatening access to meds and essential pharmacy services, increasing costs, and encouraging anticompetitive consolidation in health care.
- Unless Congress acts swiftly, the impact on LTC pharmacies will be severe and many small LTC pharmacies-which represent 90% of the sector-could be forced to close their doors in 2026.

THE PROBLEM: Recent Medicare Part D policy changes and a broken, PBM-driven payment model threaten the future of LTC pharmacies.

- Part D Plans and PBMs force LTC pharmacies to subsidize inadequate payment for their unique services with revenue from expensive brand name drugs.
- Drug pricing policy changes in the ARP and IRA will inadvertently break the LTC pharmacy payment model as LTC patients rely heavily on insulin, inhalers, and 8 of the first 10 drugs subject to price negotiations. And it will only get worse as more Rx drugs added each year.

THE SOLUTION: Congress must address the unintended consequences of recent drug pricing policy changes and allow LTC pharmacies to survive.

- Part D payments to LTC pharmacies must reflect the actual cost of essential services. This starts by creating a new LTC pharmacy supply fee for all drugs subject to negotiated prices.
- LTC pharmacy-specific PBM reform is also needed to give CMS the direction and authority to level the contract negotiation playing field for LTC pharmacies, ensuring their ability to survive.

KNOW THE FACTS: LTC PHARMACIES PLAY A UNIQUE ROLE IN CARING FOR SENIORS

LTC pharmacies provide specialized services to patients in long-term care as required by federal law. **There is no substitute for the essential services LTC pharmacies provide**, including: enhanced medication management, consultant services, patient-specific packaging, heightened quality controls, 24/7/365 delivery and more.

LTC PHARMACY BY THE NUMBERS

200 million – annual number of Rx meds LTC pharmacies dispense to Part D patients
1,200 - number of LTC pharmacies serving 2 million residents in LTC facilities nationwide
13 - average number of Rx medications prescribed to patients in LTC settings
75% - percentage of LTC pharmacy revenues from Medicare Part D
\$15 - average COST for LTC pharmacy services to dispense one prescription
\$4 - average Part D Plan PAYMENT to LTC pharmacies to dispense one prescription

Save Senior Rx Care. Pass the LTC Pharmacy Fix.

What Caused this Problem for LTC Pharmacies and Their Patients?

Recent policy changes intended to lower drug prices for seniors have unintentionally created an immediate existential threat to many LTC pharmacies and the millions of patients they serve.

Why are LTC Pharmacies and Their Patients Uniquely Impacted?

- LTC pharmacies rely on Part D for more than 75% of their revenue and do not benefit from retail sales that traditional pharmacies use to offset losses from inadequate PBM reimbursements.
- PBMs force LTC pharmacies to rely on high-priced brand name drugs to survive. And since their patients rely heavily on 8 of the first 10 drugs subject to Medicare negotiated prices, LTC pharmacies will soon face unsustainable financial losses from dispensing these medications.

Why Must Congress Address Problem Quickly to Save Senior Rx Care?

- LTC pharmacies provide specialized services for vulnerable patients in long-term care. Without a critical fix to current law before January 1, 2026, many LTC pharmacies will not survive.
- Long-term care facilities and patients will also suffer if this problem is not fixed as many will lose access to the essential and legally required services only LTC pharmacies can provide.

What is the LTC Pharmacy Fix?

A targeted solution to a specific problem facing LTC pharmacies that follows established Congressional precedent and includes specific protections for LTC pharmacies that mirror those for retail pharmacies already included in pending PBM reform legislation.

The LTC Pharmacy Fix includes the following provisions:

Creates an LTC pharmacy supply fee on drugs subject to Medicare price negotiations

- When Congress changed the Medicare Part B payment model in 2003, dispensers of certain Part B drugs suffered severe and unanticipated financial damage. Congress responded by creating a new supply fee to save the dispensers and the patients who depend on them.
- Congress must now do the same for LTC pharmacies suffering a similar fate due to the unintended consequences of new Part D policy changes by creating a new LTC pharmacy supply fee on drugs subject to maximum fair price (MFP) negotiations.

Requires CMS to define “reasonable and relevant” LTC Pharmacy contract terms

- Any PBM reform must recognize the important differences between LTC and retail pharmacies. Medicare treats LTC pharmacies differently than retail pharmacies, including how they require PDPs to establish network adequacy and how they interpret statutory and regulatory provisions.
- Mandating “reasonable and relevant” LTC pharmacy contract terms will level the negotiation playing field so PDPs and PBMs cannot continue their abusive, profit-driven practices.

**Millions of patients rely on the essential services only LTC pharmacies can provide.
Absent a solution to this crisis, many will lose access to the care they need.**

The Bottom Line: Congress Must Pass the LTC Pharmacy Fix & Save Senior Rx Care!