



NATIONAL ASSOCIATION OF  
CHAIN DRUG STORES

Statement

Of

Steven C. Anderson, President and Chief Executive Officer  
The National Association of Chain Drug Stores (NACDS)

For

United States House of Representatives  
Committee on Energy and Commerce  
Subcommittee on Health

On

“Negotiating a Better Deal: Legislation to Lower the Cost of  
Prescription Drugs”

May 4, 2021  
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2123 Rayburn House Office Building

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The National Association of Chain Drug Stores (NACDS) appreciates the opportunity to offer a statement for the record for the Committee on Energy and Commerce's hearing titled, *Negotiating a Better Deal: Legislation to Lower the Cost of Prescription Drugs*. NACDS represents nearly 40,000 pharmacies (traditional drug stores, supermarkets and mass merchants with four or more pharmacies) who employ nearly 3 million individuals, including pharmacists, pharmacy technicians, and nurse practitioners, among others.

NACDS commends the Committee's work to improve the affordability of prescription drugs for the American people, including importantly, for seniors. We applaud both Democrats and Republicans for your tremendous effort to help alleviate the burden that out-of-pocket prescription drug costs can inflict on the American people and our health care system at large. Your efforts on this important issue have meaningful and real-world implications for so many, including those who are forced to make difficult decisions when it comes to affording their prescription drugs and paying for other basic necessities.

While the nation, including America's pharmacies, remains laser-focused on COVID-19 pandemic recovery and response efforts, many Medicare beneficiaries continue to face challenges affording their prescription drugs. Prescription drugs are a lifesaving cornerstone of care for millions of Americans, including Medicare beneficiaries especially when it comes to controlling chronic conditions. The pandemic has underscored the importance of managing and preventing chronic disease and removing health disparities. Importantly, higher out-of-pocket costs correlate with less prescription drug access, which can result in worsening health outcomes and higher preventable spending.

NACDS thanks the committee for recognizing the importance of Standardized Pharmacy Performance Measures, as outlined in both HR 3 and HR 19, as standardizing Pharmacy Performance Measures is a prerequisite to controlling prescription drug costs for seniors at the pharmacy counter. The development and implementation of Standardized Pharmacy Performance Measures is paramount to

proactively addressing system challenges that inadvertently drive up out-of-pocket costs for seniors. Specifically, certain system fees, called direct and indirect remuneration (DIR) fees, are currently being imposed haphazardly on pharmacies, driving up out-of-pocket costs for Medicare Part D beneficiaries, and threatening the viability of pharmacies across the nation. Such fees are imposed based on arbitrary, vague, unfair, and inconsistent metrics. Given the lack of transparency, the metrics are not only unattainable, but they also do not promote or improve pharmacy performance on meaningful elements such as quality of care or health outcomes.

NACDS applauds the committee's recognition of the importance of Standardized Pharmacy Performance Measures as outlined in HR 3 and HR 19. The development and implementation of Standardized Pharmacy Performance Metrics is critical to realizing meaningful cost reductions for seniors at the pharmacy counter while allowing pharmacies to respond to true quality and performance metrics that drive better health. Considering the critical nature of developing and implementing Standardized Pharmacy Performance Measures in controlling seniors' prescription drug costs, we urge the committee to ensure that provisions to do so remain in any legislation that is approved and passed out of the committee. In addition to Standardized Pharmacy Performance Measures, we also urge the committee to, in reviewing possible changes to the Part D program, consider policies that would not further undermine or complicate pharmacy reimbursement in the Medicare Part D program.

### **Conclusion**

NACDS thanks the committee for this opportunity to offer our support for your tremendous work and significant progress to improve the affordability of prescription drugs for the American people at this most critical time. If we can provide assistance, please do not hesitate to contact Chris Krese at [CKrese@NACDS.org](mailto:CKrese@NACDS.org) or 703-837-4650.