The 2020 Annual Report is a comprehensive review of **NCPA’s advocacy efforts** on behalf of America’s independent community pharmacists over the past year. **We represent our members** before Congress, in the regulatory arena, in the courts, and in the states. **Our work is enhanced by the grassroots efforts** of NCPA members, the NCPA Legislative/Legal Defense Fund, and the NCPA Political Action Committee. The NCPA Advocacy Center works to advance policies and solutions that are **pro-patient, pro-pharmacy, and pro-small business**.

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BATTLEGROUND SCOTUS: A LANDMARK DECISION FOR 2020

U.S. Supreme Court unanimously rules in favor of Arkansas, community pharmacies

In December, the U.S. Supreme Court handed down a historic decision allowing states to regulate PBMs. In an 8-0 decision, the Court made possible what the National Community Pharmacists Association and our state partners have been working toward for more than a decade. The Court ruled that the Employee Retirement Income Security Act cannot be used by PBMs as a shield against state regulation. 45 states and the District of Columbia filed an amicus brief supporting Arkansas’ position. Additionally, NCPA joined 54 pharmacy organizations in filing an amicus brief in support of Arkansas.

NCPA hosts Rutledge v. PCMA events

- NCPA worked with pharmacy stakeholders to sponsor and promote a webinar preview of the oral arguments in Rutledge v. PCMA. Attendees heard from Arkansas Attorney General Leslie Rutledge herself and had the opportunity to support NCPA’s LDF during the webinar. Thank you again to our sponsors, RxSafe, EHR Data, Liberty Software, Datarithm, Pharmacy Development Services, and Value Drug Company.
- Facebook Live event in front of SCOTUS steps before the arguments
- Post-decision webinars
  - NCPA and the National Alliance of State Pharmacy Associations jointly hosted a webinar for executive directors of state pharmacy associations.
  - NCPA also hosted a post-decision webinar to educate members on next steps and is working with multiple states on legislation to be introduced in 2021.

Above: On the eve of oral arguments in Rutledge v. Pharmaceutical Care Management Association, APA Executive Vice President and CEO John Vinson (far left), NCPA CEO Douglas Hoey and NASPA Executive Vice President and CEO Rebecca Snead discuss the case during a Facebook Live event at the Supreme Court.

Below: Various webinars
AFTER A YEARS-LONG BATTLE, COMMUNITY PHARMACY Brings Its Case AGAINST THE PBMS TO THE HIGHEST COURT IN THE LAND

No. 18-540
IN THE
Supreme Court of the United States

Leslie Rutledge, in her official capacity as Attorney General of the State of Arkansas,

Petitioner,

Pharmaceutical Care Management Association,

Respondent.

BRIEF OF ARKANSAS PHARMACISTS ASSOCIATION, NATIONAL COMMUNITY PHARMACISTS ASSOCIATION, AMERICAN PHARMACISTS ASSOCIATION, NATIONAL ALLIANCE OF STATE PHARMACY ASSOCIATIONS, AND FIFTY-ONE OTHER PHARMACIST ASSOCIATIONS AS AMICI CURIAE SUPPORTING PETITIONER

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NCPA ADVOCATES FOR SMALL BUSINESS PHARMACY COVID-19 RELIEF

NCPA spent 2020 advocating to federal and state legislators and policymakers for small business pharmacy COVID-19 relief. Successes included small business protections in federal relief bills as well as expansion of pharmacists’ authority to order and administer COVID-19 tests and vaccines.

Federal COVID-19 congressional action

PAYCHECK PROTECTION PROGRAM EXPANDED IN COVID-19 RELIEF BILL
Congress passed an end-of-year COVID-19 relief bill in December that President Trump signed into law. While it did not include all NCPA’s priorities, it did include new funding and improvements to the Paycheck Protection Program, including expansion and simplification of PPP loan forgiveness, deductibility of expenses, extension and expansion of employee retention tax credit, and a second PPP loan opportunity for those that qualify. In addition to lobbying for these improvements, NCPA also joined as a signatory on multiple coalition letters to Congress pertaining to the PPP.

NCPA also advocated for passage of:
• Coronavirus Aid, Relief and Economic Security (CARES) Act: Created the PPP which allows pharmacies with fewer than 500 employees that maintain their payroll to receive 100 percent federally guaranteed cash-flow assistance loans. Restored the ability of small business pharmacies to carry back any net operating losses against previous year tax payments. Allowed patients to use their HSA or FSA for OTC medications and menstrual products. NCPA created signage for in-pharmacy use to alert patients to this change.
• Paycheck Protection Program and Health Care Enhancement Act: Successfully advocated for an additional $310 billion for the PPP, $50 billion for the Disaster Loans Program Account, $75 billion for reimbursements to health care providers to support COVID-19-related expenses and lost revenue, and $25 billion for necessary expenses related to COVID-19 tests.
• Paycheck Protection Program Flexibility Act: Secured improvements to the PPP by advocating for extending the term for the forgiveness of PPP loans (24 weeks or until the end of the calendar year), allowing for five years to repay any money owed, an extension of the rehiring deadline for loan forgiveness from 8 to 24 weeks, and reducing the 75/25 rule to 60/40 so that at least 60 percent of PPP loan funds must be used for payroll.
• Families First Coronavirus Response Act (FFCRA): Expanded paid sick leave and Family and Medical Leave Act requirements effective April 1, 2020 and expired Dec. 31, 2020. All pharmacy employees were designated as health care providers and exempt from FFCRA requirements.

NCPA SURVEY JUNE 2020

1. Did your pharmacy apply for federal aid under the Paycheck Protection Program (PPP)?

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<th>Value</th>
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<tr>
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Totals: 213

2. Have you received the funding?

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</tr>
<tr>
<td>No</td>
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<td>2</td>
</tr>
</tbody>
</table>

Totals: 204

NCPA Office Michael Kim participated in a listening session hosted by Vice President Pence where he shared stories of the damage caused to his pharmacies and addressed independent pharmacy concerns with PBMs.
NCPA supported business liability protections: NCPA signed onto a letter to members of Congress urging swift enactment of temporary and targeted liability relief legislation related to the COVID-19 pandemic. The letter, which was signed by more than 200 organizations, urges protections to safeguard businesses, non-profit organizations, and educational institutions, as well as health care providers and facilities from unfair lawsuits.

Promoting pharmacist provider status: In March, Rep. Buddy Carter (R-Ga.) along with 35 House colleagues sent a bipartisan letter proposing language to provide authority for pharmacist provider status under Medicare Part B to address COVID-19. These efforts resulted in HHS providing regulatory flexibilities that many pharmacists across the nation have taken advantage of to provide tests and be reimbursed by Medicare.


State COVID-19 action

NCPA made policy recommendations to influential state organizations: NCPA advocated to influential organizations that represent state policymakers (the National Governors Association, the National Council of Insurance Legislators, and the National Association of Insurance Commissioners) calling on them to address obstacles imposed by health plans and PBMs that are threatening patient access to pharmacy services during the COVID-19 pandemic.

Model regulatory language for states: NCPA created model language addressing pharmacy audits, pharmacy access, and reimbursements for use in Executive Orders or other state regulatory orders to address these issues.

• States have issued emergency orders governing PBM practices: The orders include such directives as requiring PBMs to waive signature requirements, suspend pharmacy audits, cease mandatory mail order requirements, and make it easier for patients to obtain 90-day fills and early refills. States issuing orders include Alaska, Arkansas, Connecticut, Delaware, Florida, Kentucky, Louisiana, Massachusetts, Ohio, Oklahoma, Texas, Vermont, and West Virginia.

NCPA advocated for pharmacist authority to administer COVID-19 testing: Forty-three state governments, including Washington, D.C., aligned with HHS guidance to remove unnecessary restrictions via executive orders, waivers, or rules allowing pharmacists to order and administer COVID-19 tests.

Medicaid payments for home delivery: Massachusetts, Missouri, Utah, and North Carolina increased the dispensing fee under Medicaid for home delivery of prescriptions.

Civil immunity in states: States that granted pharmacists civil immunity from COVID-19 related lawsuits include Alaska, Arizona, Connecticut, Illinois, Kansas, Kentucky, Massachusetts, New Jersey, and New York.

NCPA engaged with National Governors Association to promote the importance of involving community pharmacists in combating COVID-19: NGA disseminated NCPA’s recommendations to all governors in their respective states.

NCPA engaged National Governors Association and the National Association of Medicaid Directors on COVID-19 vaccine administration fee and billing pathway options: NCPA advocated for an equitable and sustainable reimbursement for COVID-19 vaccine administration.
Regulatory COVID-19 action

HHS clarified pharmacists’ authority to administer COVID-19 testing regardless of state law in response to NCPA advocacy efforts.

Pharmacists authorized to order and administer COVID-19 vaccinations in response to sustained NCPA advocacy efforts: The guidance authorizes state-licensed pharmacists to order and administer COVID-19 vaccinations to persons ages 3 and older, regardless of state laws. Pharmacy interns acting under the supervision of qualified pharmacists can administer the vaccinations as well.

HHS authorized all pharmacists to administer childhood vaccines: HHS authorized all state-licensed pharmacists and pharmacy interns to order and administer vaccines for patients aged 3 through 18 years during the COVID-19 public health emergency, regardless of state restrictions.

HHS extended PREP Act authorization to pharmacy technicians and interns: HHS announced guidance under the Public Readiness and Emergency Preparedness (PREP) Act authorizing qualified pharmacy technicians and state-authorized pharmacy interns acting under the supervision of a qualified pharmacist to administer childhood vaccines to patients aged 3 through 18 years, COVID-19 tests, and COVID-19 vaccines when made available.

HHS guidance relaxed certain requirements during the COVID-19 pandemic: The guidance included relaxed enforcement of signature logs, suspension of pharmacy audits, permission of 90-day fills, and relaxation of LTC short cycle requirements.

CMS allowed pharmacists to authorize emergency refills: When prescribers are not available to provide refill renewal prescriptions, when consistent with state emergency declarations.

COVID-19 INFORMATION FOR PRACTITIONERS

At the outset of the pandemic, NCPA launched its Coronavirus Information Center, a dedicated section of ncpa.org managed and updated by the NCPA Innovation Center. It is a comprehensive resource for community pharmacists on testing, vaccines, industry trends, professional practices, and state and federal programs. Since March of 2020, the Coronavirus Information Center has attracted 49,822 page views, averaging nearly 5,000 visitors per month.
ON CAPITOL HILL AND WORKING WITH AGENCIES

Progress has been made in advancing NCPA’s member-focused congressional legislative priorities, fighting on behalf of community and long-term care pharmacy owners.

Federal legislation

Prescription Drug Price Transparency Act (H.R. 1035): Would codify Medicare transparency provisions concerning maximum allowable costs for generics and apply them to the Federal Employees Health Benefits program. Would also establish a MAC appeals process and prohibit PBM requirements to use a PBM-owned pharmacy. Introduced by Reps. Doug Collins (R-Ga.) and Dave Loebsack (D-Iowa).

Preserving Patient Access to Compounded Medications Act (H.R. 1959): Would preserve patient access to compounded medications by directing the FDA to act within congressional intent. Introduced by Reps. Henry Cuellar (D-Texas) and Morgan Griffith (R-Va.).

Drug Price Transparency in Medicaid Act of 2019: (H.R. 5281): Would provide accountability in Medicaid managed care programs by preventing abusive spread pricing, increasing transparency, and reimbursing based on the average cost of the prescription drug. Introduced by Reps. Buddy Carter (R-Ga.) and Tony Cardenas (D-Ca.).

Phair Pricing Act (S. 640 / H.R. 1034): Would prohibit retroactive reductions in pharmacy payments in Medicare Part D for clean claims. Would require PBMs to report claims level data to pharmacies and HHS to develop pharmacy-specific quality measures. Introduced by Sen. John Kennedy (R-La.) and Reps. Vicente Gonzalez (D-Texas) and Doug Collins (R-Ga.).

Improving Transparency and Accuracy in Medicare Part D Spending Act (S. 988 / H.R. 803): Would prohibit retroactive reductions in payments on clean claims submitted by pharmacies under Medicare Part D. Introduced by Sens. Shelley Moore Capito (R-W.Va.) and Jon Tester (D-Mont.) and Reps. Peter Welch (D-Vt.) and Morgan Griffith (R-Va.).

Ensuring Seniors Access to Local Pharmacies Act (H.R. 4946): Would allow seniors in medically underserved areas to access lower copays at any willing pharmacy. Would require claims level reimbursement transparency, prevent PBMs from reimbursing their affiliated pharmacies more than they do other pharmacies, and ensure reimbursement covers acquisition and dispensing costs. Introduced by Reps. Peter Welch (D-Vt.) and Morgan Griffith (R-Va.).

NCPA ADVOCATES FOR LTC PHARMACY ISSUES

NCPA is focused on the important role of independent pharmacies in meeting the needs of patients in LTC settings. NCPA’s LTC Division advocates for closed-door and LTC community hybrid pharmacies. 2020 was spent advocating for LTC pharmacy relief during COVID-19 as well as expanded authority for LTC pharmacists to play a major role in COVID-19 vaccine efforts.

NCPA and other long-term care organizations asked CMS to recognize medical at home services: NCPA and almost 40 long-term care pharmacy-related organizations asked CMS to formally recognize and promote medical at home pharmacy services during and beyond the COVID-19 public health emergency.
Pharmacy DIR reform activity

Bipartisan letters supported relief from pharmacy DIR fees: Early in 2020, pharmacy DIR reform appeared to be headed for a legislative solution as Congress worked on bipartisan drug pricing legislation, however, these efforts were stalled by the COVID-19 pandemic. That did not stop NCPA’s advocacy efforts to fix DIR, including advocating for suspension of DIR fees. In March, a bipartisan letter was sent to congressional leadership urging the inclusion of full DIR reform in any COVID-19 package.

Organizations urged swift congressional action to address pharmacy DIR fees: 242 organizations representing pharmacists, patients, and health care providers sent a letter to congressional leadership urging swift action to address pharmacy DIR fees.

Ultimately, DIR reform was not included in COVID-19 relief efforts nor finalized with administrative action. NCPA subsequently filed a lawsuit against HHS to end DIR fees and will continue to push for reform in 2021.

Congressional action on NCRA issues

Congressional support for tougher vertical merger guidelines: In response to NCRA’s urging, Reps. Doug Collins (R-Ga.) and Peter Welch (D-Vt.) along with 41 House colleagues sent a letter to the Department of Justice and Federal Trade Commission urging the agencies to adopt stricter guidelines for evaluating vertical mergers. NCRA also commented to FTC/DOJ related to proposed guidelines for evaluating vertical mergers.

House committee investigations of U.S. Postal Service: In response to the announcement of congressional investigations into the U.S. Postal Service, NCRA sent a letter to House Energy and Commerce Committee Chairman Frank Pallone (D-N.J.) and Ranking Member Greg Walden (R-Ore.) urging the committee to broaden the scope of its investigation into potential delivery delays of mail order prescriptions linked to operational changes at the U.S. Postal Service.

To get your copy of NCRA’s DIR Advocacy Timeline please visit: ncpac.org/dir-activity-timeline
Federal regulatory comments and successes

NCPA’s policy and regulatory team submitted over 50 agency comments, statements, and letters. The team also attended numerous meetings and consultations with agency officials. These efforts resulted in several victories for independent pharmacy. The following are highlights of NCPA’s regulatory communications with agencies:

**NCPA advocated for Part D changes:** NCPA lobbied on CMS’ Part D proposed rule, urging a reevaluation of how pharmacy quality measures are developed and enforced. NCPA commended CMS for proposing to require Part D sponsors to disclose to CMS and the public the performance measures they use to evaluate pharmacies. CMS did finalize this proposal in early 2021, a step in a positive direction in NCPA’s quest for DIR reform.

**NCPA lobbied Tricare to reverse audit recoupments:** After months of relentless advocacy along with our partners at the Alliance for Pharmacy Compounding and PAAS National, NCPA received confirmation from Tricare that it was instructing Express Scripts to send new template letters to pharmacies impacted by recoupments for prescriptions dating back to 2015. The recoupments cited the lack of a relationship between the prescriber and the patient. However, under this new directive, pharmacies need only show proof of a valid prescription to recover the funds recouped by Express Scripts.

**NCPA win – USP finalized compounding resolution:** As part of NCPA participation in USP’s 2020 virtual convention, NCPA submitted comments successfully urging USP to align its compounding resolution with our ask for more consistency with USP’s development of beyond-use dates. USP’s final compounding resolution did align with NCPA’s ask, stating that standards for BUDs will be developed. NCPA continues to participate in efforts to update BUDs.

**NCPA influenced final CMS Medicaid managed care rule:** CMS made it easier for states to require managed care organizations to reimburse providers at rates established in the fee-for-service program. States will no longer need to obtain CMS approval to establish such a benchmark in the managed care program. In response to NCPA’s comments, CMS clarified that reporting requirements apply to MCO subcontractors, such as PBMs.

**NCPA formed 340B Task Force:** NCPA established a 340B Task Force to tackle the policy issues arising from the actions taken by several manufacturers to restrict contract pharmacy delivery or collect data to minimize duplicate Medicaid discounts. The Task Force continues to meet and discuss possible solutions to ensure community pharmacy remains a viable participant in the program and that the program assists the intended beneficiaries.

**Electronic Prescribing of Controlled Substances:** Along with the EPCS Coalition and individually, NCPA provided comments and feedback to CMS. With 98 percent of all pharmacies already EPCS-compliant, NCPA requested CMS respect the exemptions for long-term care. Enforcement has been delayed to Jan. 1, 2022. NCPA also submitted comments to DEA requesting the removal of requirements that third-party audits and/or certification be conducted at least every two years.

**Prescription drug importation:** NCPA opposed the FDA’s proposed rule allowing wholesale importation of prescription drugs from Canada based on patient risk and the likelihood that importation will not produce meaningful cost savings. FDA issued the final rule in October allowing importation of certain prescription drugs from Canada. Pharmaceutical Research and Manufacturers of America, the Partnership for Safe Medicines, and the Council for Affordable Health Coverage have initiated litigation in the U.S. District Court for the District of Columbia challenging the final rule.

**NCPA weighed in on compounding:** NCPA advocated for compounding pharmacies by weighing in on concerns with the National Academies of Sciences, Engineering, and Medicine report on compounded bioidentical hormone therapy and FDA’s animal compounding guidance, and requested review of the FDA’s final MOU on the distribution of compounded products across state lines.

**HHS OIG adopted NCPA position to include pharmacies under new safe harbors:** NCPA and CPESN® successfully advocated for the inclusion of pharmacy in modifications to the Federal Antikickback Statute. NCPA met with officials from HHS’ Office of Inspector General to encourage the inclusion of pharmacists and pharmacies from the new value-based enterprise safe harbors.
ENGAGEMENT

Grassroots engagement

NCPA members support community pharmacy’s “Essential Priorities”: NCPA members responded to NCPA calls to action and voiced support for NCPA’s “Essential Priorities” for COVID-19 relief. NCPA’s campaign influenced the end-of-year relief package.

NCPA members continued hosting members of Congress for pharmacy visits during the pandemic: While there were significantly fewer opportunities to host in-person pharmacy visits in 2020 due to the pandemic, NCPA members did take advantage of the opportunities that did arise to participate in in-person meetings. Members of Congress participating in such meetings included: Sens. Joni Ernst (R-Iowa), Amy Klobuchar (D-Minn.) and Chris Murphy (D-Conn.), and Reps. Jodey Arrington (R-Texas), Anthony Brindisi (D-N.Y.), Vern Buchanan (R-Fla.), Michael Burgess (R-Texas), Ben Cline (R-Va.), Michael Cloud (R-Texas), Chris Jacobs (R-N.Y.), Doug LaMalfa (R-Calif.), Sean Patrick Maloney (D-N.Y.), and Tom Reed (R-N.Y.). Additionally, Deputy Surgeon General RADM Erica Schwartz participated in a pharmacy event.

NCPA relaunched Fight4Rx patient engagement campaign: In April, NCPA relaunched its legacy platform Fight4Rx to educate and engage patients on the role of PBMs. Since its launch, more than 11,500 advocates have joined.

NCPA members demand policy action: NCPA members sent over 14,000 messages to legislators on federal and state legislative matters. These came in response to the 25 calls to action from NCPA. Major calls to action pertained to issues surrounding COVID-19 at the federal level and Medicaid managed care reform at the state level.

NY pharmacists meet with Rep. Tom Reed (R-N.Y.)

Rep. Cline (R-Va.) visits Orange Pharmacy

Sen. Joni Ernst (R-Iowa) visits Montross Pharmacy

Rep. Chris Jacobs (R-N.Y.) visits Middleport Pharmacy

Rep. Michael Cloud (R-Texas) visits Rogers Pharmacy

TELL CONGRESS TO LOWER YOUR COSTS AND DEFEND THIS PHARMACY

Congress can do both by reforming obscure fees that threaten the existence of this pharmacy and raise your out-of-pocket costs while enriching insurance middlemen. Demand your legislators stand up for our community and tell the middlemen enough is enough.

Text Fight4Rx to 52886 to support this pharmacy.
During the pandemic, NCPA staff continued to attend key events and/or present to outside stakeholders, including:

Alliance for Pharmacy Compounding
AmerisourceBergen Corporation ThoughtSpot
Arkansas Pharmacists Association
Association for Value Based Cancer Care
CARE Pharmacies
Compliant Pharmacy Alliance
EpicRx Legislative Summit
Florida Pharmacists Association
Georgia Pharmacy Association
Kansas Pharmacy Association
National Alliance of State Pharmacy Associations
National Association of Boards of Pharmacy
National Association of Insurance Commissioners
National Council of Insurance Legislators
Northeast Pharmacy Services Corporation
Ohio Marshall County Pharmacists Association
PCCA
Pharmacy Franchisees & Owners Association
PQA
Southeastern Pharmacy Officers Conference
Texas Pharmacy Association
United State Pharmacopeia
Value Drug
Virginia Pharmacists Association.

Arkansas state Sen. Jason Rapert (R), one of independent community pharmacy’s greatest champions, came by NCPA HQ to visit with CEO Douglas Hoey while attending the National Council of Insurance Legislators meeting.

External stakeholder engagement

Pharmacy and patient stakeholders demand action on pharmacy DIR fees: NCPA, working with our pharmacy partners, engaged patient and pharmacy stakeholders on a letter to congressional leadership in May urging action on pharmacy DIR fees. More than 240 organizations joined as signatories to the letter.

NCPA continued to engage the DIR stakeholder coalition: NCPA continued to provide updates to organizations that have been engaged on the DIR issue and to work with them to promote calls to action.

NCPA engaged patient organizations on steering: Under the Fight4Rx banner, NCPA shared a patient-focused survey on patient steering with external patient advocacy organizations including the AIDS Healthcare Foundation, American Cancer Society Cancer Action Network, Coalition of State Rheumatology Organizations, Families USA, Justice in Aging, Medicare Rights Center, National Consumers League, National MS Society, National Rural Health Association, and the AIDS Institute.

LEGAL ACTIVITY

North Dakota asked the United States Supreme Court to hear PBM case: The state of North Dakota filed a petition for a writ of certiorari, which means it is asking the Supreme Court to review the 8th U.S. Circuit Court of Appeals judgment in PCMA v. Tufte. Now known as Wilke v. PCMA, this case is similar to Rutledge v. PCMA, which the Court heard in October. In both cases, the Supreme Court is asked to consider whether ERISA preempts a state’s authority to regulate PBMs.

NCPA called on state attorneys general to scrutinize ESI-Prime relationship: NCPA sent a letter to state attorneys general warning that a partnership between two massive pharmacy benefit managers will squash local pharmacies and limit consumer choices.

PCMA withdrew challenge to enforcement of Oklahoma PBM law: In the fall, PCMA withdrew its challenge to Oklahoma’s authority to regulate PBMs while the PCMA v. Mulready case is pending. The Oklahoma law regulates PBMs, protects patient access, ensures fairer business practices, and establishes “any willing pharmacy” requirements. It minimizes PBM conflicts of interest by prohibiting higher reimbursement rates for pharmacies owned by PBMs.
The NCPA Legislative/Legal Defense Fund

In December, the Supreme Court ruled unanimously in favor of states’ authority to regulate PBMs. This win for community pharmacy was underwritten by hundreds of contributors to the Legislative/Legal Defense Fund. The LDF supports NCPA’s entire advocacy operation: research, lobbyists, attorneys, communications, the whole ball of wax. The better funded the LDF, the more resources and influence we can put toward getting our priority legislation passed and friendly regulations adopted and defending your practice in key litigation.

Major investors in the LDF for calendar year 2020 included the following. To become one of them, visit www.ncpa.org/ldf and invest.

LDF PLATINUM
($200,000 or more in corporate funds annually)
- AmerisourceBergen Corporation
- Cardinal Health
- Compliant Pharmacy Alliance Cooperative

LDF GOLD
($100,000 or more in corporate funds annually)
- GeniMed, Inc.

LDF SILVER
($50,000 or more in corporate funds annually)
- Independent Pharmacy Cooperative
- McKesson Corporation
- PCCA
- Pharmacy Providers of Oklahoma, Inc.

LDF BRONZE
($5,000 or more in corporate funds annually)
- Alliance of Independent Pharmacist of Texas
- American Associated Pharmacies
- American Pharmacy Services Corporation
- COOPHARMA Coop De Farmacias Puertorriquenas
- Datarithm
- EHR Data
- Georgia Academy of Independent Pharmacy/Georgia Pharmacy Association
- Innovatix LLC
- Liberty Software
- Louisiana Independent Pharmacies Association
- Mutual Drug Company
- Northeast Pharmacy Services Corp.
- Pharmacy Development Services
- Pharmacy First/Wholesale Alliance LLC

LDF MVP
($5,000 or more annually)
- Buford Abeldt
- Jay Blackburn
- Jeff Carson
- Thomas Cory
- Walter Cwietniewicz
- Tim Finley
- Ben Flanagan
- Robert Greenwood

LDF MVP
($5,000 or more annually)
- Tom Haas
- Richard Harmon
- Cynthia Hedden
- Kristie Halliday
- Bob Mabe
- Nicole McNamee
- Mike Minesinger
- Bruno Tching

The NCPA Political Action Committee

The NCPA PAC supports candidates who think as you do, who understand the challenges of running a business and squeezing every nickel, so you can serve your patients well. Supporting those candidates means funding campaigns, and that’s what the NCPA PAC does. To be effective requires a strong, well-funded PAC. Your personal investment in the NCPA PAC means it will have enough money to help fund congressional campaigns and build NCPA influence. Pro-pharmacy elected officials will be much more willing to consider the evidence we present concerning PBM abuses – and do something about it.

PAC highlights

- **NCPA PAC participated in over 150 events:** Through the support of NCPA members, NCPA PAC representatives participated in over 150 events virtually, in Washington, D.C., and across the country.

- **NCPA PAC volunteers raised over $40,000 for NCPA PAC:** The 2020 NCPA PAC telethon was a whopping success, raising over $40,000 in funds and pledges that will be used to elect pro-pharmacy candidates. Pharmacy owners from all over the nation volunteered their time for the first virtual telethon, including:

  - Brian Caswell
  - Danny Cottrell
  - Karen Cottrell
  - Steve Giroux
  - Steve Hoffart

  - Matthew Lester
  - Nasir Mahmood
  - Alex Moore
  - J.J. Peek
  - Leo Wolsoncroft
• **NCPA member hosted fundraiser for key member of Congress:** NCPA members Kelly and Nancy Selby, owners of Community Pharmacy in Denton, TX, hosted several pharmacists and pharmacy allies at a fundraiser at their home for Rep. Michael Burgess (R-Texas). Burgess serves on the House Energy and Commerce Committee.

Rep. Michael Burgess (R-Texas), (third from left), was honored at a roundtable fundraiser for his re-election campaign hosted by NCPA members Kelly Selby (fourth from right) and wife Nancy, owners of Community Pharmacy in Denton. Ronna Hauser (second from right), NCPA’s vice president, policy and government affairs operations, also attended.

**PAC CHAMPION INVESTORS**

($2,500 or more in personal funds annually)

Kenneth Austin  
Jeff Prince  
Ralph Balchin  
Cole Sandlin  
Ralph Bouvette  
Troy Simons  
Mel Collier  
Ralph Sorrell  
Victor Johnson  
Mike Vinson  
Karry La Violette  
Lonny Wilson  
William Moore  
Donald Young

The NCPA PAC helps us support pro-pharmacy candidates for Congress: NCPA organized several successful fundraisers with the help of members like you, who contributed personally to the campaigns of the following community pharmacy champions:

**Representative Jerry Carl (R-Ala.)**

Jerry Carl is the representative from Alabama’s 1st Congressional District. Carl owns a specialty pharmacy that serves patients with hemophilia. Carl won the November election against Democratic candidate James Everhart to succeed Rep. Bradley Byrne (R), who did not seek reelection.

**Representative Diana Harshbarger (R-Tenn.)**

Diana Harshbarger, PharmD, is the representative from Tennessee’s 1st Congressional District. Harshbarger, who owns Premier Pharmacy in Kingsport, Tenn., won the November election against Democrat nominee Blair Walsingham to succeed Rep. Phil Roe (R).

**Representative Matt Rosendale (R-Mont.)**

Matt Rosendale is the representative for Montana’s At-Large Congressional District. Prior to his election to Congress, Rosendale served as Montana’s State Auditor. In his capacity as state auditor, Rosendale supported community pharmacy by advocating for further regulation of PBMs. Rosendale won the November election against Democratic candidate Kathleen Williams.

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**Following are major investors in the NCPA PAC for calendar year 2020. To learn more about the PAC, visit ncpa.org/ncpa-pac.**

**PAC MVP INVESTORS**

($5,000 in personal funds annually)

Michele Belcher  
Jay Blackburn  
Jeff Bray  
Alexandra Bray  
Jeff Carson  
Brian Caswell  
Hugh Chancy  
Danny Cottrell  
Boyd Ennis  
Steven Giroux  
Bob Greenwood  
Jeff Harrell  
Edward Heckman  
Doug Hoey  
Edmund Horton  
Jonathan Marquess  
Bill Osborn  
Kristen Riddle  
Darrin and Deb Silbaugh
STATE ACTIONS

State legislation

NCPA’s state legislative priorities were Medicaid managed care reform, PBM reform, and expansion of scope of practice. Since the beginning of 2020, NCPA’s state government affairs team provided input to 34 states, including draft legislative language, bill review, letters of support/opposition, and in-person testimony.

NCPA Leads Pharmacy Community on NAIC PBM Model Legislation Comments: Due to NCPA advocacy, the National Association of Insurance Commissioners (NAIC) PBM Issues Subgroup approved a model PBM bill. NCPA was involved throughout the process, presenting a webinar for the Subgroup, offering suggestions, and leading a pharmacy stakeholder letter of support. The Subgroup incorporated multiple amendments suggested by NCPA. In collaboration with other pharmacy groups, NCPA will continue engaging with NAIC until the bill is formally adopted by the full organization.

MEDICAID MANAGED CARE REFORM

Kentucky SB 50: Requires the state to contract with a single PBM to administer Medicaid managed care benefits; authorizes the Medicaid department to establish pharmacy reimbursement methodologies and dispensing fees.

New York S7506B: Directs the Department of Health to carve the Medicaid prescription drug benefit out of the managed care program and into the state-administered fee-for-service program beginning in April 2021.

Pennsylvania HB 941: Prohibits PBMs in the Medicaid program from arbitrarily excluding a pharmacy from network participation, retroactively denying or reducing claim reimbursements, charging hidden pharmacy transmission fees, mandating that a Medicaid patient use the pharmacy of the PBM’s choice, and engaging in the costly practice of spread pricing.

Virginia HB 129I, SB 568: Prohibits a PBM in the Medicaid managed care program from engaging in spread pricing.

PBM REFORM

Colorado HB20-1078: Prohibits retroactive claim reductions; prohibits a PBM from reimbursing a pharmacy less than it reimburses one of its affiliated pharmacies.

Georgia HB 946 and SB 313: Requires the reporting of drugs paid 10 percent above and 10 percent below National Average Drug Acquisition Cost every four months; requires a PBM to offer drug coverage plans that do not include spread pricing and plans that allow plan sponsors to receive 100 percent of rebates negotiated by the PBM.

Georgia HB 918: Strengthens existing anti-steering and fair pharmacy audit provisions.

Idaho H 386: Requires a PBM to register with the state; requires a PBM to establish a MAC appeal process; prohibits a PBM from retroactively denying or reducing a reimbursement amount; prohibits a PBM from implementing a gag clause.

Indiana SB 241: Prohibits a PBM from conditioning network participation on pharmacy accreditation standards that are more stringent than state or federal requirements, retroactively denying or reducing a claim, and reimbursing a PBM-owned pharmacy at higher rates than it reimburses non-affiliated pharmacies.

Indiana HB 1207: Prohibits copay clawbacks in the state employee health benefit plan.

Maine LD 1928: Prohibits a PBM from charging certain retroactive claim adjudication fees.

Maryland HB 1273: Allows a pharmacy to withdraw and resubmit a claim for which a discrepancy was found during an audit.

Maryland HB 1307: Prohibits a PBM from reducing payment under a reconciliation process to an effective rate; limits a PBM’s authority to implement onerous pharmacy credentialing requirements.

Mississippi HB 708: Prohibits a PBM from implementing retroactive claim reductions, establishing arbitrary pharmacy accreditation/certification requirements, and steering patients to PBM-owned pharmacies.

BELOW MAP SHOWS STATES WHO HAVE ADVANCED MEDICAID MANAGED CARE REFORM
**New Hampshire SB 63:** Requires a PBM/insurer to pass manufacturer rebates to patients by offsetting out-of-pocket costs or premiums.

**Pennsylvania HB 943:** Prohibits a PBM from implementing a gag clause; requires a PBM/insurer to pass manufacturer rebates to patients by offsetting out-of-pocket costs or premiums.

**Utah SB 138:** Prohibits a PBM from interfering with a pharmacy’s authority to offer home delivery services.

**Utah HB 272:** Prohibits a PBM from reimbursing PBM-owned pharmacies more than non-affiliated pharmacies, limiting a pharmacy’s ability to offer home delivery services, and charging retroactive fees without providing notice to the pharmacy.

**Virginia HB 1290:** Requires a PBM to obtain a license from the state; prohibits a PBM from conducting spread pricing, charging certain adjudication fees, reimbursing a pharmacy an amount less than the amount that the PBM reimburses an affiliated pharmacy, imposing provider accreditation standards or certification requirements in addition to state requirements.

**Washington HB 2464:** Prohibits a PBM from implementing a copay rollback.

**Washington SB 5601:** Prohibits a PBM from retroactively decreasing a reimbursement amount; prohibits certain transaction/adjudication fees; prohibits a PBM from establishing arbitrary pharmacy accreditation standards; prohibits a PBM from reimbursing a pharmacy less than it reimburses on of its affiliated pharmacies.

**West Virginia HB 4058:** Strengthens the insurance commissioner’s enforcement authority over PBMs.

### STATE PROVIDER STATUS

**Colorado HB 20-1061:** Authorizes pharmacists to prescribe and dispense PrEP and PEP medications; requires coverage of HIV infection prevention drugs prescribed or dispensed by a pharmacist and provision of an adequate consultative fee or adequate dispensing fee equivalent to that provided to a physician or advanced practice nurse.

**Colorado SB 20-212:** Establishes reimbursement for telehealth services at the same rate for services provided in person.

**Florida HB 389:** Expands scope of practice to include initiating, modifying, or discontinuing drug therapy for a chronic health condition under a collaborative practice agreement (CPA); allows pharmacists to test and treat for minor, nonchronic health conditions under a protocol with a supervising physician.

**Florida HB 599:** Authorizes a consultant pharmacist to order and evaluate any lab or clinical test; conduct patient assessments; and implement, modify, discontinue, or administer medicinal drugs under the direction of a CPA.

**Georgia HB 791:** Authorizes a pharmacist to dispense certain medical marijuana to patients by offsetting out-of-pocket costs or premiums.

**Minnesota SF 13:** Requires health plans to offer pharmacy care within the state for adults, children, and adolescents to a person age 11-17.

### STATE STUDIES/FINDINGS ON PBM PRACTICES

- Florida releases report on state’s Medicaid PBMs
- New York releases report on extending Medicaid MMC contract
- Ohio Comptroller finds significant overcharges in MCO program
- Arkansas DOI examination shows higher reimbursements for national chains
- California HIV PrEP/PEP measures
- Colorado releases report on state’s Medicaid PBMs
- New Mexico Medicaid proposed rule for coverage of pharmacist services
- Maryland’s proposed PSAO regulations
- California attempt to restrict animal compounding
- Burdensome labeling requirements in Oregon
- New York S 8182: Expands pharmacists’ vaccine authority by including approved COVID-19 vaccines.
- South Carolina S 16: Authorizes a pharmacist to dispense an emergency refill of up to a 14-day supply (or up to a 30-day supply if the medication’s packaging prevents a refill amount in the quantity specified).
- Utah SB 145: Allows for change of quantity and dosage forms, allows for emergency refills, allows for standing orders for epinephrine injectable orders and albuterol stock.
- Virginia HB 1506: Authorizes prescribing, dispensing, and administration of certain controlled substances by a pharmacist, and clarifies that certain insurance policies must provide reimbursement when those services are performed in accordance with regulations of the Board of Pharmacy.
- West Virginia HB 4102: Authorizes a pharmacist to directly or by standing order prescribe an opioid antagonist.
- West Virginia SB 544: Authorizes pharmacists to administer immunizations in accordance with CDC guidelines including, but not limited to, the CDC’s recommended immunization schedule for adults, children, and adolescents to a person age 11-17.
- West Virginia SB 787: Requires provided benefits to pharmacists for pharmacist care rendered within the pharmacist’s scope of practice if benefits would be provided for such services performed by other health care providers.

### STATE REGULATORY COMMENTS

- Florida on extending Medicaid MMC contract
- Ohio Medicaid proposed rule for coverage of pharmacist services
- Burdensome labeling requirements in Oregon
- California attempt to restrict animal compounding
- Maryland’s proposed PSAO regulations
- California HIV PrEP/PEP measures

- NY Comptroller finds significant overcharges in MCO program
- Arkansas DOI examination shows higher reimbursements for national chains
- Florida releases report on state’s Medicaid PBMs

- New Hampshire HB 1639: Authorizes pharmacists and pharmacy interns (under supervision) to administer COVID-19 vaccines.
- New Mexico HB 42: Requires commercial payers and managed Medicaid plans to reimburse pharmacists practicing within their scope of practice at the same rate as other providers.
- New York S 8182: Expands pharmacists’ vaccine authority by including approved COVID-19 vaccines.

- Authorizes pharmacists and pharmacy interns (under supervision) to administer COVID-19 vaccines.
The NCPA Communications Department is a division of the Advocacy Center. Its main mission is to develop and implement communications strategies to advance NCPA’s advocacy priorities in Washington, D.C. and the 50 states by ensuring that our voice is heard across all media.

2020: NCPA IN THE NEWS
In 2020, NCPA was mentioned in 5,012 news stories. Leading stories for the year included our reaction to a report by XIL Consulting, Rutledge v. PCMA case, in which NCPA played a role and was mentioned and quoted in nearly 500 stories.

Communications by the numbers

<table>
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<th>NCPA website</th>
<th>920,000 pageviews</th>
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<tr>
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<td>qAM</td>
<td>5,012 news mentions to date</td>
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A BREAKOUT YEAR FOR COVERAGE
2020 was a breakout year for NCPA in the news. The organization increased its coverage by 75 percent over the previous year.

OUTPERFORMING THE INDUSTRY
NCPA appeared in more news stories than its peers, including NACDS and PCMA, both of which spend millions on publicity. In 2019, NCPA put out 65 press releases to the media. In 2020, NCPA put out 114 press releases, nearly doubling the output from the previous year. The result was a massive increase in earned media coverage.

EXPANDING OUR REACH
NCPA communicates to its members and the public on multiple platforms. Whether it is our award-winning magazine, America’s Pharmacist®, our daily newsletter qAM, or our various social media accounts, we delivered our message to more people in 2020.

BRANDING COMMUNITY PHARMACY
In 2020, NCPA launched the first-ever national branding campaign for community pharmacy. The Your Neighbor campaign reached nearly half a million pharmacy patients on social media, digital properties, and streaming television. A series of digital and video advertisements highlighted the benefits of dealing with an independent community pharmacist. The 12-week campaign generated 20 million impressions on social media, 80,000 engagements, and increased foot traffic in our stores by 20 percent.

FIGHTING PBMS WITH THE TRUTH
In late 2020, PCMA launched a campaign in 18 states blaming community pharmacies for the high cost of drugs. With state-specific websites and advertising on television, radio, social media, and billboards, the PBMs are misleading consumers and state policymakers. NCPA is fighting back. In the fall of 2020, we launched The Truth campaign with a series of infographics and news stories setting the record straight. In January 2021, we are launching a more aggressive paid-media effort in the same 18 states aimed at consumers and state policymakers. We are fighting the PCMA lies with the truth. And we will be working with our state partners to enact legislation that protects community pharmacies and their patients from the PBMs’ shady practices.

Did you know?
The 3 Largest PBMs are Fortune 25 companies and control 76% of all prescriptions.

Did you know?
PBM Rebates add 30 cents to every dollar that consumers pay for drugs.

Did you know?
The increase in fees that a PBM keeps represents an increase of 965% per claim.
NCPA v. AZAR

NCPA is suing the government to end DIR fees

NCPA has been advocating to end DIR fees for years and most recently filed a lawsuit in January 2021 against the Secretary of the United States Department of Health and Human Services for relief against Part D DIR.

Ending DIR fees has been our top priority since 2014. We have advocated to the Department of Health and Human Services to adopt new rules to remedy the problem. That effort nearly succeeded in 2019, only to have it die quietly because of opposition from the White House. Having exhausted every effort to work through the legislative and regulatory processes, community pharmacies can wait no longer.

DIR fees are fundamentally unfair. They force pharmacies to make price concessions based on arbitrary standards long after the point of sale. They make it impossible for pharmacists to anticipate their costs or control their cash flow. Moreover, they conceal the true cost of prescription drugs from patients and taxpayers despite clear language in the law requiring transparency.

We believe we have a strong legal case against DIR fees. On behalf of our members and the more than 21,000 community pharmacies that we represent, we are now taking our fight to the courts. To successfully advocate in the best interest of our members, NCPA’s Legislative/Legal Defense Fund is critical. Visit ncpa.org/ncpa-v-azar for more information on the Azar case.

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