



2023

INDEPENDENT COMMUNITY PHARMACY LEGISLATIVE PRIORITIES

NCPA's Senate Legislative Agenda

Pro-Patient, Pro-Pharmacist

Prohibit spread pricing in Medicaid managed care

S. 1038, the *Drug Price Transparency in Medicaid Act*, would prohibit spread pricing and require the implementation of a “pass-through” pharmacy reimbursement model in taxpayer-funded Medicaid managed care programs. This legislation, which was introduced by Sens. Peter Welch (D-Vt.) and Roger Marshall (R-Kan.), would require pharmacy reimbursements based on a transparent benchmark, the National Average Drug Acquisition Cost and a commensurate dispensing fee like those in Medicaid fee-for-service programs. Under a pass-through pricing model, pharmacy benefit managers are paid an administrative fee, which is the only source of revenue under the contract, thus avoiding any costly PBM spread. The Congressional Budget Office has estimated this reform would save \$1 billion over 10 years.

PBM transparency for plan sponsors and consumers

S. 127, the *Pharmacy Benefit Manager Transparency Act*, would increase drug pricing transparency for employers and plan sponsors and hold PBMs accountable for anticompetitive practices that drive up the costs of prescription drugs at the expense of consumers. The legislation, sponsored by Sens. Maria Cantwell (D-Wash.) and Chuck Grassley (R-Iowa), would ban deceptive, unfair pricing schemes; prohibit spread pricing and arbitrary clawbacks of payments made to pharmacies; and require PBMs to report to the Federal Trade Commission how much money they make through spread pricing and pharmacy fees. The legislation also clarifies the enforcement authority of the FTC and state attorneys general to prohibit unfair or deceptive business practices that PBM-insurers use against community pharmacies.



Founded in 1898, the National Community Pharmacists Association is the voice for the community pharmacist, representing over 19,400 pharmacies that employ nearly 240,000 individuals nationwide. Community pharmacies are rooted in the communities where they are located and are among America's most accessible health care providers. For more information visit [ncpa.org](https://www.ncpa.org).