

September 3, 2025

Dr. Mehmet Oz
Administrator
Centers for Medicare & Medicaid Services
Department of Health and Human Services
7500 Security Boulevard
Baltimore, MD 21244–1850

Re: Concerns about the Medicare Drug Pricing Negotiation Program

Dear Administrator Oz,

We write to reiterate our concerns with the Centers for Medicare and Medicaid Services' implementation of the Medicare Drug Price Negotiation Program (MDPNP) under the Inflation Reduction Act. The National Community Pharmacists Association (NCPA) represents America's community pharmacists, including 18,900 independent community pharmacies. Almost half of all community pharmacies provide long-term care services and play a critical role in ensuring patients have immediate access to medications in both community and long-term care (LTC) settings. Together, our members employ 205,000 individuals and provide an expanding set of healthcare services to millions of patients every day. Our members are small business owners who are among America's most accessible healthcare providers.

NCPA strongly supports efforts to lower prescription drug costs for seniors and taxpayers. In addition, we appreciate that CMS has sought the input of the pharmacy community on the best approaches to implement the MDPNP. At the end of the day, we want to do what is best for our patients. However, we believe that certain policy decisions and implementation choices made by the agency operating the program may in fact threaten its success. As currently configured, the pharmacy community is being asked to potentially shoulder financial and operational aspects of the program that we believe are inconsistent with Congressional intent.

MDPNP Adds Additional Economic Pressures on Pharmacies

According to an Avalere Health analysis, "A large share (30%) of beneficiaries access IPAYs 2026 or 2027 negotiated drugs through independent or franchise pharmacies."¹ Yet, based on surveys of our members, many are contemplating not participating in the MDPNP due to uncertainty of the amount and timing of the refund payments that manufacturers will have to make to pharmacies to effectuate the Maximum Fair Price (MFP). Pharmacies are being asked to float a significant amount of funds under this program and wait a longer time for payment from the

¹ See [Impact of MFP Effectuation on Pharmacies and Beneficiaries | Avalere Health Advisory](#).

manufacturer, certainly longer than 14 days as required by the Medicare Prompt Pay regulation. No small business operating on slim margins can absorb this economic impact, not should they be expected to. This uncertainty will result in additional financial pressures on community retail pharmacies that are already disappearing in record numbers.

There were 3,250 net fewer retail pharmacies in 2024 than four years ago.² And, disruptive changes to Medicare Part D exacerbate those closures. The Medicare Part D program makes up on average 35 percent of an independent pharmacy's revenues.³ At the advent of the program nearly 20 years ago in 2006, 1,000 independent pharmacies closed due to slow payments from the Part D plans and PBMs. Congress had to step in and enact prompt payment requirements for the Part D plans to pay pharmacies within 14 days for clean electronic prescription claims that they dispense to Medicare beneficiaries.

NCPA is very concerned we could be facing additional pharmacy closures as the MDPNP comes online in January 2026, just four short months away. As a result, Medicare beneficiaries who depend on our members are at great risk of losing access to life-saving medications. A recent study conducted by 3Axis Advisors, commissioned by NCPA and made available to you, found that under the program, the average pharmacy stands to lose nearly \$11,000 in weekly cash flow due to delayed refund payments from manufacturers, and that annual revenue losses per pharmacy could equal on average \$43,000 a year—roughly equivalent to a pharmacy technician's yearly salary.⁴ Meanwhile, pharmacies will still be purchasing these drugs at the same prices they do today from their wholesalers. Without adequate financial protections for pharmacies, this program could be destined to fail, and pharmacies and their patients will be left as collateral damage.

In an August 2025 survey of our members, we found the following from respondents:

- When asked if the Medicare Drug Price Negotiation Program (MDPNP) would affect their decision to stock these ten drugs, 86 percent stated that they were either considering (67 percent) or have already decided (19 percent) to not stock the drugs;
- When asked if they have enrolled in the MTF, 39 percent stated yes, their pharmacy/all their pharmacies were enrolled, 31 percent stated no, they have not begun the enrollment process, and 22 percent stated no, but they have begun the enrollment process (with the remainder of respondents saying that no, I began but I gave up (4 percent), no, I do not know what MTF is (4 percent) and no, my pharmacy does not participate in any Medicare Part D network (0.2 percent);
- 35 percent said their financial health of their pharmacy declined significantly in the past year;
- 32 percent said their financial health of their pharmacy declined slightly in the past year;

² IQVIA.

³ See 2024 NCPA Digest, page 17.

⁴ [January2025-ThreeAxisAdvisors-Unpacking-the-Financial-Impacts-of-Medicare-Drug-Price-Negotiation.pdf](#).

- 80 percent are currently taking steps to protect their pharmacies against insolvency, with the most common steps taken being to minimize on-hand inventory of high-dollar drugs (87 percent);
- When asked if they have declined one or more PBM contracts for 2026, 47 percent said yes, with the majority of those (62 percent) being from Express Scripts; and
- 87 percent stated that they have not finalized all their contract year 2026 Part D contracts and do not know which plans they will be participating in.

Although we appreciate the opportunity to make manufacturers aware when we enroll in the Medicare Transaction Facilitator Data Module (MTF-DM) that independent and long-term care pharmacies will have material cashflow concerns resulting from the program, we are still waiting to see if the manufacturer effectuation plans will address these concerns. To this end, NCPA worked with the American Society of Consultant Pharmacists (ASCP) to provide manufacturers with Recommendations to Manufacturers to Effectuate Medicare's Maximum Fair Price (MFP) for Pharmacies with Material Cash Flow Concerns. Full comments can be found [here](#).⁵

Recommendations to Assure Medicare Beneficiary Access to Medications

NCPA has met with CMS multiple times and submitted comments that we believe provide straightforward solutions to address our concerns and would encourage pharmacy participation in the program. For example, NCPA continues to recommend that CMS revise the program such that Part D plans and PBMs must: 1) pay pharmacies no less than the MFP plus a commensurate dispensing fee when providing MFP drugs; and 2) not assess Direct and Indirect Remuneration (DIR) fees on MFP drugs.

In addition, we believe that manufacturers should be required to: 1) effectuate the MFP via the Medicare Transaction Facilitator Data Module (MTF DM) **and** the Medicare Transaction Facilitator Payment Module (MTF PM); 2) pay the pharmacy the refund amount of no less than WAC minus MFP (the Standard Default Refund Amount, or SDRA), within 14 days of claim adjudication; and 3) submit to CMS their MFP effectuation plans sooner than September 1 in subsequent years, as pharmacies need to make decisions on PBM/plan contracts earlier.

In the recent Medicare Part D final rule,⁶ CMS did not grant NCPA's request for a more detailed cost burden analysis impact of the MDPNP on independent pharmacies, as it was only looking at the pharmacy cost burden from the perspective of enrolling in the Medicare Transaction Facilitator (MTF). Depending on the rollout of this program, CMS may need to immediately reassess the financial impact of this program on independent pharmacies and access to these drugs for Medicare Part D beneficiaries.

⁵ See [Policy Document ASCP and NCPA's Recommendations to Manufacturers to Effectuate Medicare's Maximum Fair Price \(MFP\) for Pharmacies with Material Cash Flow Concerns](#). NCPA June 2025.

⁶ See [Medicare and Medicaid Programs; Contract Year 2026 Policy and Technical Changes to the Medicare Advantage Program, Medicare Prescription Drug Benefit Program, Medicare Cost Plan Program, and Programs of All-Inclusive Care for the Elderly](#), Federal Register Vol 90, No. 71 (April 15, 2025), 15904-15908.

NCPA stands ready to continue to work with the agency on the implementation of this program to help ensure the lowest prescription prices coupled with optimal clinical effectiveness for a healthier America. Please feel free to contact me at doug.hoey@ncpa.org or my colleague Ronna Hauser at ronna.hauser@ncpa.org.

Sincerely,

A handwritten signature in black ink, appearing to read "B. Douglas Hoey". The signature is fluid and cursive, with the first name "B." and last name "Hoey" being more distinct than the middle name "Douglas".

B. Douglas Hoey, Pharmacist, MBA
Chief Executive Officer
National Community Pharmacists Association

CC:

The Honorable Mike Johnson, Speaker of the House
The Honorable Hakeem Jeffries, House Democratic Leader
The Honorable John Thune, Senate Majority Leader
The Honorable Chuck Schumer, Senate Democratic Leader
The Honorable Mike Crapo, Chairman, Senate Committee on Finance
The Honorable Ron Wyden, Ranking Member, Senate Committee on Finance
The Honorable Brett Guthrie, Chair, House Energy and Commerce Committee
The Honorable Frank Pallone, Ranking Member, House Energy and Commerce Committee
The Honorable Morgan Griffith, Chairman, House Health Subcommittee of the Energy and Commerce Committee
The Honorable Diana DeGette, Ranking Member, House Health Subcommittee of the Energy and Commerce Committee

Report for Medicare Drug Price Negotiation Program and Financial Health of Pharmacy

Executive summary:

NCPA surveyed approximately 10,450 pharmacy owners and managers between Aug. 25 and Sept. 2 to determine their attitudes on various issues, including the Medicare Drug Price Negotiation Program (MDPNP). The survey received 405 responses. Below is a summary of the findings:

- 19 percent say they have decided not to stock drugs in the MDPNP because they anticipate the program will cause cashflow problems and revenue loss.
- 67 percent say they are considering not stocking drugs in the program for the same reasons.
- When asked if they have enrolled in the Medicare Transaction Facilitator (MTF), 39 percent stated yes, their pharmacy/all their pharmacies were enrolled; 31 percent stated no, they have not begun the enrollment process; and 22 percent stated no, but they have begun the enrollment process. The remainder of respondents said that they began but gave up (4 percent), they haven't and do not know what the MTF is (4 percent), or their pharmacy does not participate in any Medicare Part D network (0.2 percent).
- When asked if they have declined one or more PBM contracts for 2026, 47 percent said yes, with the majority of those (62 percent) being from Express Scripts.
- 87 percent stated that they have not finalized all their contract year 2026 Part D contracts and do not know which plans they will be participating in.

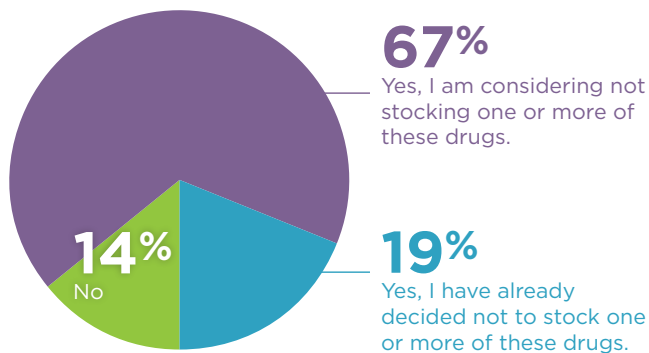
Additionally, the survey asked more general questions about the financial health of independent pharmacies. Below are the highlights:

- 35 percent said the financial health of their pharmacies declined significantly in the last year.
- 32 percent said the financial health of their pharmacies declined slightly in the last year.
- 12 percent said the financial health of their pharmacies improved in the last year.
- 80 percent said they are taking steps now to avoid insolvency.
- 87 percent said they were reducing inventory of high-dollar drugs to protect themselves against insolvency. That was by far the most common action taken by respondents.

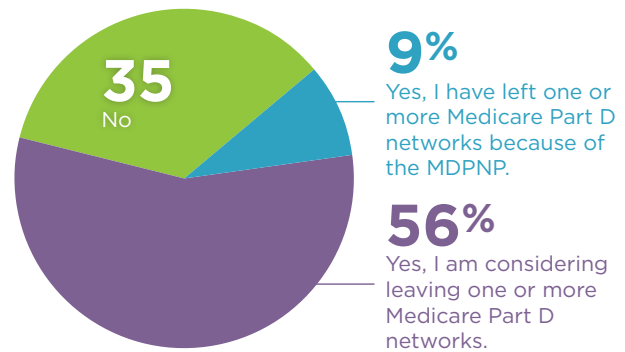
The survey also asked which PBM was causing them the most Medicare Part D financial stress. Below are the top results:

- 44 percent said Express Scripts was causing them the most financial stress.
- 30 percent said CVS/Caremark was causing them the most financial stress.
- 11 percent said Humana was causing them the most financial stress.

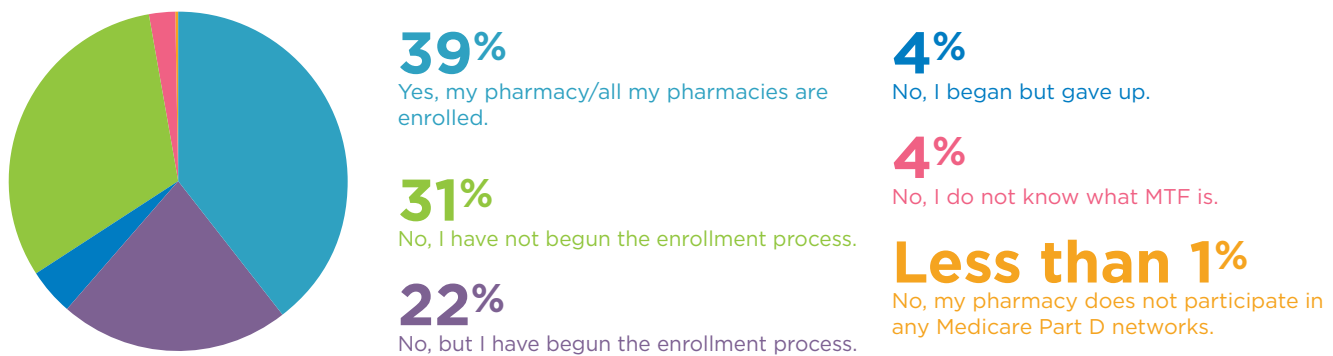
1. Based on recent research, pharmacies that participate in the MDPNP could experience serious cashflow and revenue problems. Does this affect your decision to stock these drugs?



2. Does the MDPNP affect your decision to stay in Medicare Part D?



3. The MDPNP hinges on the Medicare Transaction Facilitator (MTF) notifying manufacturers that they owe pharmacies a refund for dispensing drugs with a negotiated Maximum Fair Price. Have you enrolled in the MTF?



4. Which PBM is causing you the most Medicare Part D financial stress?

