



### **Policy Summary:**

## **ASCP and NCPA's Recommendations to Manufacturers to Effectuate Medicare's Maximum Fair Price (MFP) for Pharmacies with Material Cash Flow Concerns**

The American Society of Consultant Pharmacists (ASCP) and the National Community Pharmacists Association (NCPA) represent pharmacists committed to high-quality care for Medicare beneficiaries. In light of the Medicare Drug Price Negotiation Program (MDPNP), we offer recommendations to manufacturers on supporting pharmacies facing material cash flow concerns.

### **Pharmacies at Risk**

Pharmacies likely to face financial strain under MDPNP include:

- Sole proprietors in rural and urban areas
- Pharmacies heavily reliant on prescription revenue
- Long-term care (LTC) pharmacies

These providers serve a disproportionately large Medicare population and are therefore disproportionately affected by delays and reductions in reimbursement due to MDPNP.

### **Financial Impact**

Our analysis found that under the MDPNP:

- Pharmacies may face at least 7-day payment delays, beyond the 14-day Medicare prompt pay standard;
- Independent pharmacies could lose nearly \$11,000 in weekly cash flow and \$43,000 annually;
- Over 93% of surveyed independents are considering not stocking the first 10 MDPNP-selected drugs; and
- A majority of LTC pharmacies will see closures, staff layoffs, service reductions, and medication shortages.

Additionally, Avalere research shows 30% of Medicare Part D beneficiaries get MFP-affected drugs at independent or franchise pharmacies, highlighting the widespread impact.

## **Key Recommendations to Manufacturers**

1. **Adopt the Standard Default Refund Amount (SDRA):**  
Use Wholesale Acquisition Cost (WAC) minus MFP to calculate refunds, ensuring fair pharmacy compensation.
2. **Pay Within 14 Days of Claim Adjudication:**  
Align with Part D standards to protect pharmacies' cash flow and maintain operations.
3. **Prefund Refund Payments:**  
Fund accounts based on historical claims ahead of January 1, 2026, to support pharmacies stocking MFP drugs.
4. **Use the MTF Payment Module (MTF PM):**  
Standardize refund processing to reduce administrative burden and uncertainty.
5. **Provide Professional and Administrative Fees:**
  - Professional Fee: A percentage-based fee to cover clinical and dispensing responsibilities.
  - Administrative Fee: A flat fee per prescription to support reconciliation and program management.
6. **Limit Plan Amendments:**  
Restrict changes to once annually unless necessary for operations or patient care.
7. **Audit Guidelines**
8. **Provisions for Dispute Resolution**

## **Conclusion**

ASCP and NCPA urge manufacturers to incorporate these recommendations into their MFP effectuation plans by September 1, 2025, ensuring pharmacies remain viable and patients retain access to essential medications.