



## 2024 Advocacy Upate

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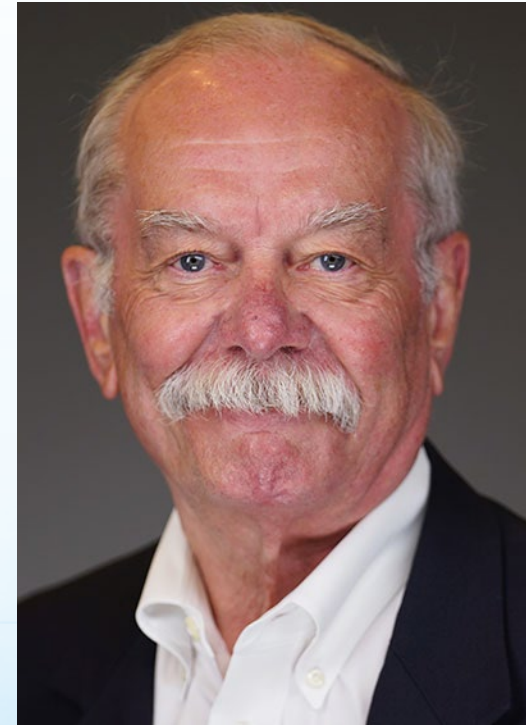


**Michael Wright,**  
Vice President  
Government Affairs  
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# Michael Wright, VP of Government Affairs

- Executive Director of the Texas/New Mexico Pharmacy Business Councils.
- Works with National & State Organizations to Protect, Defend & Enhance the Business Model of Independent Pharmacy.
- 30+ years as a government relations executive for Hoffman-La Roche.
- 11+ years at American Pharmacies

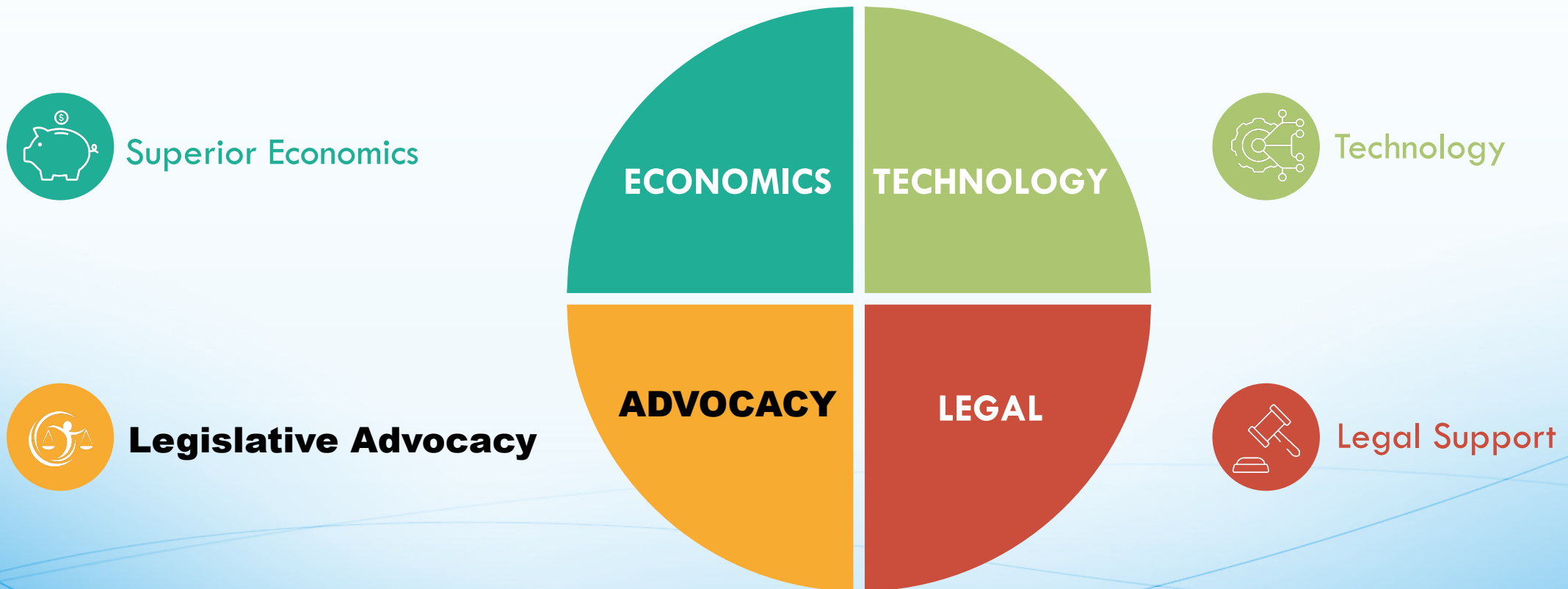


# Learning Objectives

**At the completion of this activity, you will be able to:**

- Describe the major bills filed/passed in Texas and other states & their impact on community pharmacy.
- List key issues for independent pharmacy in upcoming state sessions.
- Discuss the ongoing advocacy issues, challenges and priorities for community pharmacy across the nation.
- List major issues/legislation before Congress and the FTC that affect community pharmacy.
- Discuss key elements of effective grassroots advocacy.

# American Pharmacies Cornerstones of Value







# Guiding Principles

- **Focus on Achievable Goals You Can Build on.**
- **Take a Long-term View:** Alliances & Foundations Built Today Reap Future Cooperation & Success.
- **Always Be Willing to Discuss & Negotiate Differences.**
- **Credit Those Who Help** – and Expect Credit for Your Help.
- **We Are the Advocacy Leader for Independents. Our Board & Our Members Expect Us to Lead.**

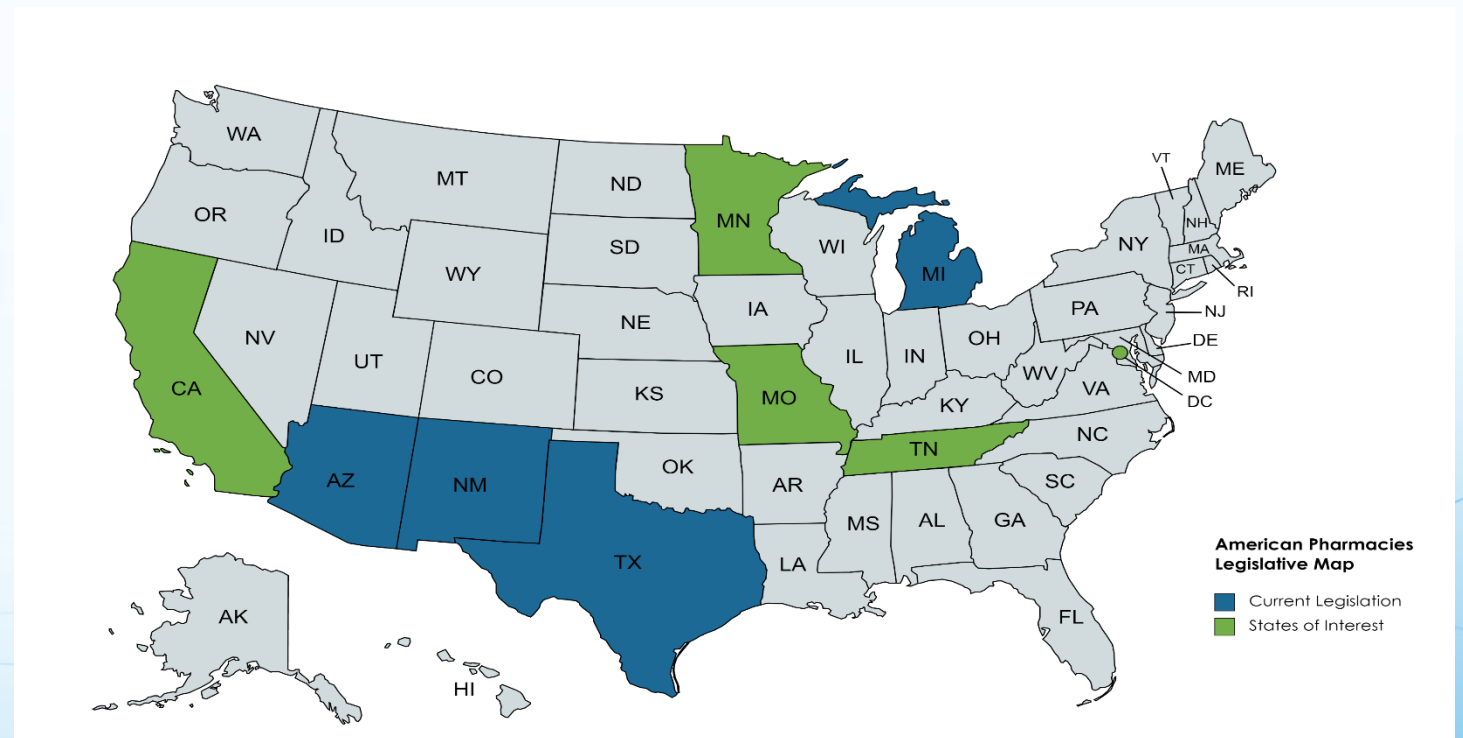
# Our Government Affairs Commitment

- Michael Wright, VP Government Affairs
- Miguel Rodriguez, General Counsel
- Chuck Waters, VP of Marketing & Communications
- Jennifer Olsen, Executive Legislative Administrator/Government Affairs
- Consultant Lobbyists:
  - Arizona - Dianne McAlister
  - Michigan - KJL Team-Ryan Burtka
  - New Mexico - Jason Thompson/John Thompson
  - Texas - Gregg Knaupe/Adam Leggett/Jerry Valdez
  - Washington DC - Steven Irizarry Roberti Global

# A Growing National Footprint

## States of High Interest/Opportunity

- California
- Minnesota
- Missouri
- Tennessee
- Washington DC



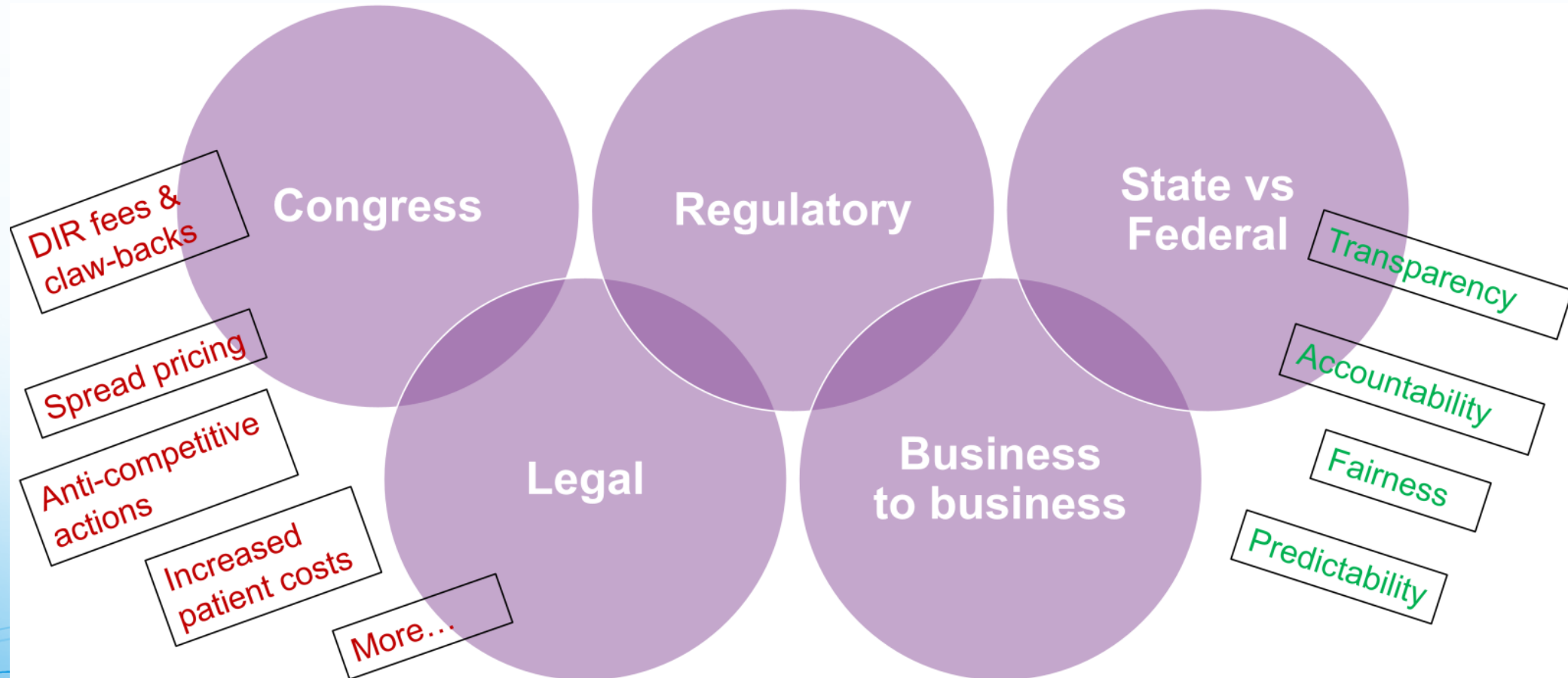
# Vertical Integration

Vertical Business Relationships Among Insurers, PBMs, Specialty Pharmacies, and Providers, 2024





# PBM Oversight: A Multi-Pronged Approach



# Arizona

## SB 1164

- Wholesale invoice audit bill that also deals with retroactive recoupments pharmacies by PBMs.
- Signed into law by Gov. Katie Hobbs
- 2025 Options:
  - Patient Steering
  - Underwater reimbursement

# HB 4348 Michigan

**HB 4348:** Part of a sweeping bipartisan legislative package driven by House Speaker Jason Wentworth

- **NO** PBM reform legislation had ever been filed in Michigan prior to HB 4348
- The largest omnibus PBM bill in the U.S. ever introduced at state level: 31 pages.
- **DFIS interface on enforcement & rulemaking in progress**

# HB 4348 Michigan

## Licensing & Oversight of PBM's by Michigan Dept. of Insurance

- DIFS authority over PBM License for specified violations
- Required quarterly transparency reports on wholesale acquisition costs, rebate disclosure, and total rebates & fees not passed through to health plans
- DFIS to prepare annual report on all PBM adjudicated claims to identify cost savings.
- Ongoing engagement with DFIS on ERISA/enforcement.



# Michigan

- **HB 4276: Pharmacy Reimbursement**
- For pharmacies with not more than 7 retail outlets, reimbursement equals NADAC plus a formula for brand & generic dispensing fee.
- Moves issue to statute versus annual renewal & appropriations of fee monies
- Ongoing monitoring of compliance in place.

# New Mexico

- **HB 165** Reimbursement Rates for Community Based Pharmacy Providers. Passed into law
- Ensuring that community-based pharmacy providers professional dispensing fee for outpatient drugs in Medicaid. The department shall identify and update, at least annually, a list of community-based pharmacy providers.
- Mimic Managed Care FFS dispensing fees in Medicaid Managed Care Plans.
- **New Medicaid Dispensing Fee: Effective July 1, 2024 -\$11**
- Current: Western Sky: \$10.30, Presbyterian: \$11.00, BC/BS: \$2.35-\$4.00

# American Pharmacies Texas Advisory Panel

**Chairman: John Hickman**, Dyer Drug Store – Farmersville, TX

**AP Liaison: Mike Muecke**, Muecke Prescription Shop – Bay City, TX

**Bryan Abernathy**, Medical Arts Pharmacy – San Angelo, TX

**Kendra Korthauer**, Norman's Pharmacy – Brenham, TX

**Russell Pelzel**, Pelzel's Hometown Pharmacy – Pilot Point, TX

**Vanessa Recio-Rawls**, Richard's Pharmacy/Mission – Mission, TX

**John Rogers**, Rogers Pharmacies – Victoria, TX

**Mark Vogler**, Martin Tipton Pharmacy – Amarillo, TX

# Texas 2025 Defense

- Repeal of HB 1919 & HB 1763 from 2021 Session: TOP PRIORITY for PBMs/Plans
- Mandate reviews & repeals: multiple bills
- Physician dispensing: Rumors of trading limited dispensing for expanded immunizations
- Tele pharmacy rules on distance



# HB 1763: Protecting Patient & Pharmacy Rights

- Prohibition of Retroactive Fees (Tx. Ins. Code §1369.553)
- No Prohibition of mail or delivery
- No extra professional standards or accreditations
- Reimbursement parity
- Disclosure of PSAO contracts
- Retaliation prohibited
- Waivers by PBMs prohibited

# Fierce PBM Opposition to HB 1919

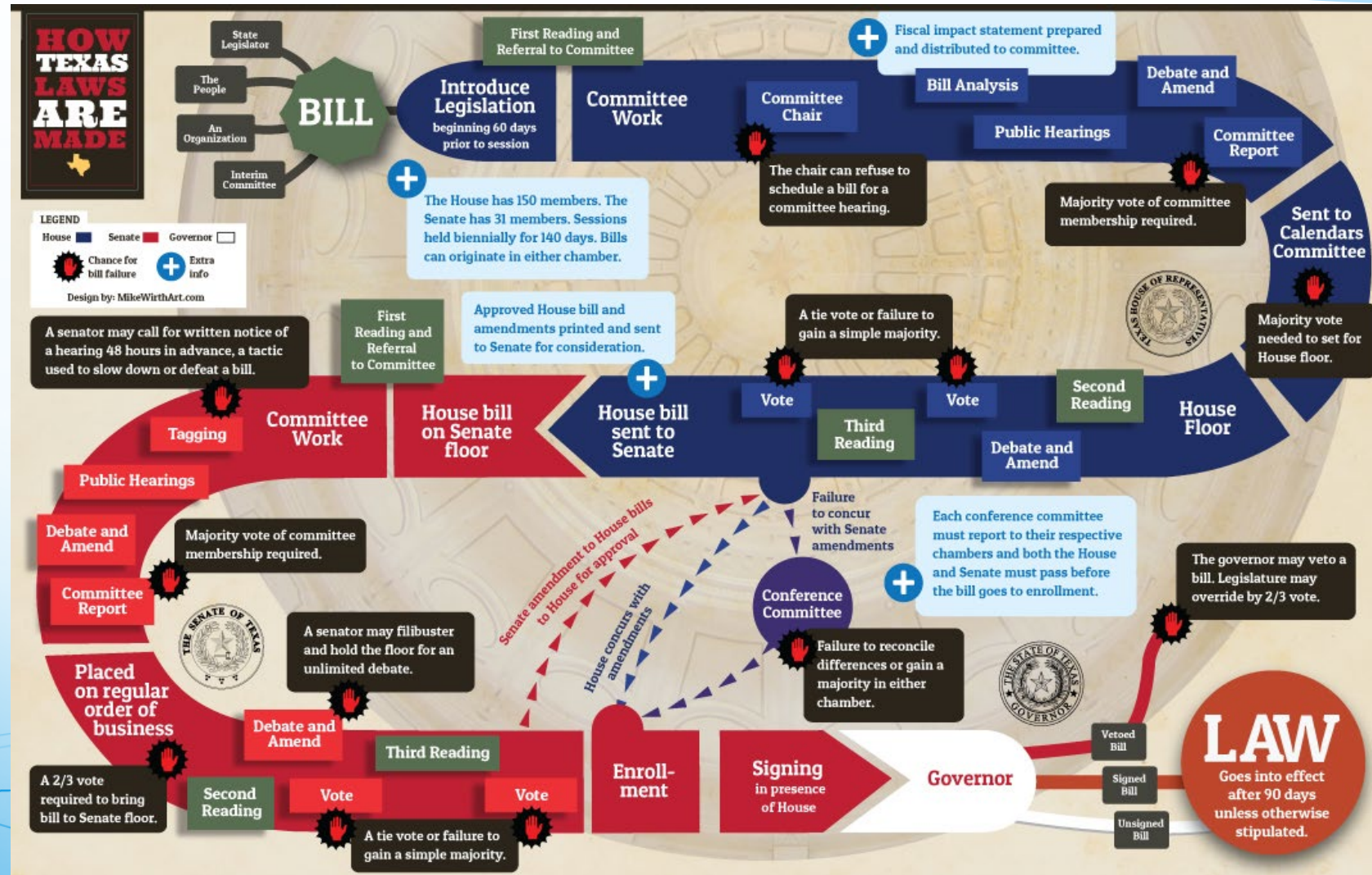


# HB 1919: Bans Steering of Pharmacy Patients

- Prohibits Requiring or Inducing Use of Affiliated Pharmacy (Tx. Ins. Code §1369.555)
- Prohibition of steering communications
- No transferring of records



# Passing a Bill Is No Easy Task





# Texas 2025 Anticipated Issues

- Texas Pharmaceutical Initiative: State-run PBM
- Establishment of Texas Health Insurance Mandate Advisory Panel U of H
- Wholesale importation of prescription drugs to Texas
- Pilot Program on safe disposal of prescription drugs
- Co-pay Accumulator
- DME reimbursement: Medicaid modifications
- Physician dispensing.

# Texas 2025 Proactive Options

- Expansion of Immunizations by a pharmacist
- TDI reform Bill: ERISA/Out of state plans
- Test & Treat
- NADAC plus FFS dispensing fee in Medicaid Managed Care
- Actual product/device cost reimbursement: Not less than acquisition cost

# American Pharmacies Federal Advisory Panel

**Chair Joe Ochoa**, Ochoa's Pharmacy Central – Edinburg, TX

**John Hickman**, Dyer Drug Store – Farmersville, TX

**Steve Hoffart**, Magnolia Pharmacy – Magnolia, TX

**Teresa Dickinson**, Melrose Pharmacy – Phoenix, AZ

**Jeff Gross**, Mickey Fine Pharmacy & Grill – Beverly Hills, CA

**Grant Brown**, Advanced Care Pharmacy Services – Jackson, MI

**Deb Keaveny**, Keaveny Drug – Winsted, MN

**Micah Lansford**, Roden-Smith Pharmacy – Clovis, NM

**Rob Bullington**, Preferred Pharmacy – Sevierville, TN

**Jason Turner**, Moundsville Pharmacy – Moundsville, WV

# Federal Legislation- American Pharmacies

S. Bill 2973, Senate Finance Committee: The Modernizing & Ensuring PBM Accountability Act (MEPA)

Bans spread pricing in Medicaid Managed Care by requiring a fair and transparent reimbursement to pharmacies and **Saves over \$1 billion.**

**Pays pharmacies the state Medicaid Fee for Service Rate**

**Mandated NADAC reporting**

**Requires Part D standardized performance measures and claim-level transparency**

**Passed Senate Finance 6/26/2023**



# Federal Legislation American Pharmacies

## S.3430: Better Mental Health Care, Lower-Cost Drugs, and Extenders Act

- Includes the NO PBMs Act- Requires CMS to define reasonable and relevant contract terms in Medicare Part D.
- Establishes “essential retail pharmacies”
- Requires preferred networks to include up to 80% of independent pharmacies in medically underserved areas.
- Passed Senate Finance 11/8/2023

# Federal Legislation American Pharmacies

## H.R. 5378: Lower Costs, More Transparency Act

- Requires pass-through models and prohibits spread pricing for payment arrangements with PBM's under Medicaid
- Requires pharmacy reimbursement in all state Medicaid Managed Care program be at a rate of pharmacy acquisition costs and the state's Medicaid fee-for-service dispensing fee.
- Limits payment to PBM's to solely administrative fees.
- Includes H.R. 1613, the rug Transparency in Medicaid Act.  
Passed House of Representatives 12/11/2023

# American Pharmacies Federal

## FTC Taking Action — Finally

- June 8, 2022 FTC accepts (6)(b) study:
  - Scrutinizing PBM Business Practices
  - Examine the impact of PBM Practices
  - FTC seeking compulsory orders

American Pharmacies has participated in live-time discussions with FTC attorneys on a host of topics and plans further meetings in D.C.

# American Pharmacies Federal Ask

**Include H.R. 5378, S. 2973, S. 2420 in a PBM Reform Package prior to the end of 2024.**

- This has overwhelming bipartisan and bicameral support.
- Policies have already gone through committee process in both chambers.

**AP Call to Action will continue the remainder of 2024**

**AP Federal Fly In September 2024**



# Grassroots Advocacy Stars

No legislative agenda can succeed without the involvement of dedicated constituent advocates. We are excited to recognize and honor the APRx members who have been critical contributors to our efforts this year.

## **2024 Advocacy Awards**



# Teresa Dickinson, RPh



**Melrose Pharmacy  
Phoenix, AZ**

- Board member, PUTT
- Member, APRx Federal Advisory Panel
- APRx Congressional Fly-in Participant, 2023
- Hosted HHS Sec. Xavier Bacerra at her Melrose Pharmacy in Dec. 2023 for important Medicare announcement
- Hosted AZ Gov. Katie Hobbs at her pharmacy in January for PBM legislation announcement.

# Bryan Abernathy



- Active with Texas Senate routinely
- Active with Texas House routinely
- Engaged with members of Congress on PBM reform initiatives.
- Extensive engagement of Tricare reforms with members of Congress.

**Medical Arts Pharmacy  
San Angelo, TX**



# Micah Lansford, PharmD



- Board member, NM Pharmacy Business Council
- Member, APRx Federal Advisory Panel
- APRx Congressional Fly in Participant 2023
- Frequent engagement with elected state and federal leaders.

**Roden-Smith Pharmacy  
Clovis, NM**



# Why You Must Engage!

***Your Profession & Business Are Highly Regulated:***

- Your Education & Licensing Requirements
- How You Buy, Store & Dispense Products You Sell
- The Stores You Own and Work in
- The Patient Records You Keep
- How You Get Paid; How Much You Get Paid
- **What You Can or Cannot Do as a Health-care Professional — Now or in the Future**



# How Can You Get Involved?

## Become *Politically* Active

- Be Informed on pharmacy legislative issues.
- **Invite Candidate to YOUR Pharmacy or Local Meeting.**
- Support election campaign.
- Visit district office.
- **Offer to be a resource on pharmacy issues.**
- **Be prepared to come testify.**
- **Use our resources & support.**



# Thank You for Your Dedication

*To Your Profession,*

*Your Career,*

*Your Patients,*

***YOUR FUTURE!***



# Please Welcome U.S. Rep. Buddy Carter





# U. S. Buddy Carter PBM Reform

- H. R. 5378 Lower Costs ,More Transparency Act (320-71)
- H.R. 1613 Drug Price Transparency Act: Bans spread pricing, fair reimbursement Medicaid dispensing fee.
- H.R. 2679 The Pharmacy Benefits Manager Accountability Act
- H.R. 540 The No PBMs Act. Requires CMS to define and enforce Medicare Part D contracts.
- H.R. 2880 The Protecting Patients Against PBM Abuses Act
- TRICARE Amendment. Requiring PBM in contracts to meet minimum network adequacy and reasonable pharmacy reimbursement.

# U.S. Rep. Buddy Carter R-GA

## Our Champion of Pharmacy

U.S. Rep. Buddy Carter of Georgia is an independent pharmacist and the author of HR 5378, the only PBM reform bill to pass either chamber of Congress. Rep. Carter is an unrelenting advocate for reforms to level the playing field for independent pharmacy, bring transparency and equity to reimbursements and protect patients' right to get affordable medications at the pharmacy of their choice.

