



NATIONAL ASSOCIATION OF
CHAIN DRUG STORES

February 9, 2024

Ralph Magrish, Executive Director
Oregon Prescription Drug Affordability Board
Department of Consumer and Business Services
350 Winter St. NE
Room 410
Salem, OR 97309

Submitted via pdab@dcbs.oregon.gov

Re: Vaccine Eligibility and Upper Payment Limit Actions

Dear Mr. Magrish,

On behalf of our members operating in Oregon, the National Association of Chain Drug Stores (NACDS) is writing to comment on the Prescription Drug Affordability Board's February 21st meeting to review the pre-selected list of prescription drugs deemed eligible for affordability review. We are concerned with the inclusion of vaccines in PDAB affordability reviews, and we fear that there may be significant impact on the availability and accessibility of certain prescription drugs at a patient's neighborhood pharmacy through the unintended consequences of inadequate and unfair pharmacy reimbursement by some payers resulting from the establishment of Upper Payment Limit (UPL) policies.

Vaccine Eligibility for PDAB Review

Community pharmacies provide many vital preventive services, including administering vaccines. To date, over 307 million COVID-19 vaccinations alone have been provided by pharmacies.¹ NACDS strongly believes that vaccines should not be subject to affordability review. Vaccines currently undergo a cost effectiveness and economic value assessment process through the CDC's Advisory Committee on Immunization Practices (ACIP) after FDA approval. They are reviewed and recommended by the ACIP before they can be accessed by the public or covered by public and private insurance. Both the Affordable Care Act and the Inflation Reduction Act mandate that all CDC-recommended vaccines are covered without cost-sharing for all publicly and privately insured individuals. For patients, this means that out-of-pocket costs are largely nonexistent. Additionally, federal safety net programs provide access to vaccines without cost-sharing for uninsured and underinsured individuals. Finally, high utilization of vaccines and preventing associated medical costs is the goal of the Oregon Immunization Program and helps address healthcare inequities. Vaccines should not be subject to an affordability review based on high or increasing utilization, as this conflicts with public health goals to increase immunization rates as an important prevention tool.

Reimbursement Concerns

Without necessary guardrails, any proposals for the creation of a UPL on selected prescription drugs could inadvertently result in inadequate reimbursements to pharmacy providers and pharmacies by failing to make up the difference between the UPL and the pharmacy's cost to acquire and dispense the prescribed drug. This outcome could force pharmacies to either operate at loss, make tough decisions regarding certain medications to stay afloat, or even potentially close their doors permanently or completely—ultimately worsening patient access and outcomes and reducing medication adherence. Careful consideration of the impact on pharmacies is important to help avoid

¹ <https://www.cdc.gov/vaccines/covid-19/vaccination-provider-support.html#closing-out>

preventable adverse downstream consequences on patient access to vital medications and overall health outcomes under these actions.

Consequently, the PDAB must ensure that any established UPL, at a minimum, covers the cost for the pharmacy to acquire/purchase the prescription drug. This means that a prescription drug product purchaser or third-party payer should not reimburse a pharmacy licensed by the state for a prescription drug product in an amount less than a UPL for the prescription drug product. Second, the UPL must include a requirement for payers to provide a professional dispensing fee or administration fee aligned with Oregon Medicaid's professional dispensing fee rates on any prescription claim subject to a UPL.

NACDS appreciates the board's endeavors to reduce prescription drug costs and enhance affordability for Oregonians. We strongly encourage removing vaccines as eligible for review by the board, and the incorporation of adequate reimbursement safeguards in any plans to establish UPLs for selected drugs. This will help ensure that the PDAB protects all community pharmacies while continuing its vital work to minimize patient costs. For questions or further discussion, please get in touch with Sandra Guckian, Vice President of State Pharmacy and Advocacy, at SGuckian@nacds.org.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven C. Anderson". The signature is fluid and cursive, with a long horizontal stroke at the end.

Steven C. Anderson, FASAE, CAE, IOM
President and Chief Executive Officer
National Association of Chain Drug Stores

cc: Oregon Prescription Drug Affordability Board Members

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NACDS represents traditional drug stores, supermarkets and mass merchants with pharmacies. Chains operate over 40,000 pharmacies, and NACDS' member companies include regional chains, with a minimum of four stores, and national companies. Chains employ nearly 3 million individuals, including 155,000 pharmacists. They fill over 3 billion prescriptions yearly, and help patients use medicines correctly and safely, while offering innovative services that improve patient health and healthcare affordability. NACDS members also include more than 900 supplier partners and over 70 international members representing 21 countries. Please visit NACDS.org.