



February 25, 2025

The Hon. Brett Guthrie
Chairman
House Committee on Energy & Commerce
2125 Rayburn House Office Building
Washington, DC 20515

The Hon. Frank Pallone
Ranking Member
House Committee on Energy & Commerce
2322A Rayburn House Office Building
Washington, DC 20515

The Hon. Buddy Carter
Chairman
House Energy & Commerce
Health Subcommittee
2432 Rayburn House Office Building
Washington, DC 20515

The Hon. Diana DeGette
Ranking Member
House Energy & Commerce
Health Subcommittee
2111 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Guthrie, Ranking Member Pallone, Chairman Carter, and Ranking Member DeGette:

As pharmacists and pharmacy owners and operators across all practice settings, we strongly encourage continued scrutiny of some market-dominant pharmacy benefit manager (PBM) middlemen practices that inflate prescription drug costs for more than 300 million Americans, force pharmacy closures in many small towns and under-resourced areas, and block access to Americans' pharmacies of choice.

We trust that under your leadership, the House Energy and Commerce Health Subcommittee hearing this week will set the stage for immediate action to enact PBM reforms that gained overwhelming bipartisan and bicameral support during the 118th Congress.

Since January 2018, more than 5,800 U.S. pharmacies have closed, representing nearly 10 percent of all pharmacies. In 2023 alone, 1,338 pharmacies shut down, followed by 1,364 more in 2024, averaging 3.7 closures per day. Speaking with one voice, we urge the U.S. Congress to immediately send to the president's desk the must-pass PBM reforms in Medicare and Medicaid that would finally address harmful PBM practices.

During the 118th Congress, our organizations and individual members provided examples of harmful PBM practices we have warned about for upwards of 15 years. Left unabated and unchecked by federal action, these tactics and their devastating effects will continue to escalate and, without early action in the 119th Congress, will reach new extremes in 2025.

Thankfully, recognition of the damaging practices by some of the dominant PBMs is now prevalent among Republicans and Democrats, conservatives and progressives, federal and state governments, employers, unions, patient groups, providers, rural and urban health advocates, and a wide range of media outlets.

The following aspects of reform are absolutely necessary to ensure that a reform package is effective and can be supported by pharmacies:

- Medicaid managed care pharmacy payment reform and a ban on spread pricing by requiring 100 percent pass-through to the pharmacy of the ingredient costs and of the professional dispensing fee which could allow the federal government and states to save billions of dollars.
 - Ensuring fair and adequate Medicaid managed care pharmacy reimbursement from PBMs to cover the cost of acquiring and dispensing prescription drugs.
 - Requiring National Average Drug Acquisition Cost (NADAC) survey participation to help establish benchmarks for Medicaid reimbursement to pharmacies, which can be used to ensure fair reimbursement to pharmacies in Medicaid-managed care and in the commercial markets.
- Requiring the Centers for Medicare and Medicaid Services (CMS) to define and enforce “reasonable and relevant” Medicare Part D contract terms, including information about reimbursement and dispensing fees, and establishing in Medicare Part D an approach by which “any willing pharmacy” can truly participate and serve patients. More than 50 million Medicare Part D beneficiaries rely on prescription drug plans managed by PBMs. This change would ensure they have access to a broader network of pharmacies that can provide them with essential care.

These policies have been the subject of bipartisan and bicameral work across committees of jurisdiction, creating a robust package of Medicare, Medicaid, and commercial market reforms that also include:

- Promoting transparency of insurer claims and reimbursement information to the pharmacy, including independent audits and enforcement measures in Medicare Part D.
- Prohibiting PBM compensation in Medicare Part D from being tied to the manufacturer’s list price of a drug.
- Prohibiting spread pricing in commercial markets.

We urge Congress to enact this year what should be considered must-pass legislation: PBM reforms that Congress has developed and agreed upon and which Americans and their pharmacies desperately need.

Sincerely,

National Association of Chain Drug Stores
National Community Pharmacists Association
American Pharmacists Association
National Association of Specialty Pharmacy
FMI – The Food Industry Association
National Grocers Association
National Alliance of State Pharmacy Associations

cc: Members, House Committee on Energy & Commerce