



Academy of  
Managed Care  
Pharmacy®

December 17, 2018

Seema Verma, Administrator  
Centers for Medicare & Medicaid Services  
Department of Health and Human Services  
Attention: CMS-4182-P  
P.O. Box 8013  
Baltimore, MD 21244-8013

***Re: Medicare and Medicaid Programs; Regulation to Require Drug Pricing Transparency; [CMS-4187-P]***

Dear Administrator Verma:

The Academy of Managed Care Pharmacy (AMCP) is pleased provide comments to the Centers for Medicare & Medicaid Services (CMS) in response to the proposed rule “*Medicare and Medicaid Programs; Regulation to Require Drug Pricing Transparency [CMS-4187-P]*” published in the *Federal Register* on October 18, 2018. AMCP appreciates the opportunity to leverage our members’ expertise in offering feedback on this proposed rule and we look forward to continued dialogue with CMS on ways to improve drug price transparency and make medications more affordable for patients.

AMCP is the nation’s leading professional association dedicated to increasing patient access to affordable medicines, improving health outcomes and ensuring the wise use of health care dollars. Through evidence- and value-based strategies and practices, the Academy’s 8,000 pharmacists, physicians, nurses and other practitioners manage medication therapies for the 270 million Americans served by health plans, pharmacy benefit management firms, emerging care models and government.

AMCP supports CMS’s efforts to reduce prescription drug spending and encourage drug pricing transparency within health care. This is an area where we have been proactively developing solutions to ensure patient access to affordable medications. As the agency continues to work to transform the health care system into one that promotes affordable health care, drug price transparency becomes even more paramount.

CMS solicits comments on whether it should require drug manufacturers to disclose prescription drug prices in direct-to-consumer (DTC) television advertising. Generally, AMCP supports efforts to provide patients with drug pricing information in order to make more informed decisions about health care in coordination with their health care providers; however, we echo previous concerns in our comments to the Department of Health and

Human Services (HHS) Blueprint to Lower Drug Prices and Reduce Out-of-Pocket Costs<sup>1</sup> regarding the utilization of Direct-to-Consumer (DTC) advertisements.

AMCP strongly discourages advertising aimed at consumers that promotes the use of specific prescription drug products. In general, such advertising aims to increase a product's market share or create a new market for the products. Instead, AMCP advocates for the appropriate use of prescription drug products and encourages providers to select products based on the needs of the patient in conjunction with prescription drug benefit designs.<sup>2</sup>

While AMCP appreciates CMS's intent to make drug pricing visible for the first time in DTC advertisements; we caution that this proposal, as written, may lead to unintended consequences for patients that could be counterproductive to CMS's goal. Equipping patients with drug pricing information to inform their health care decision making can and should be done, but in a way that provides patients with information that directly reflects the cost that they will pay for the drug and allows them to participate in a shared decision-making process with their health care provider.

CMS is proposing that the Wholesale Acquisition Cost (WAC) be utilized as the "list price" that would be required to be disclosed in drug advertisements. Currently, the price a patient pays for a drug is dependent on several factors to include their insurance plan, deductible, and drug plan's preferred list of medications. Focusing on the list price for a drug does not reflect market-based negotiations among manufactures, insurers and pharmacy benefit managers, or additional discounts that may be available to a patient, therefore it is significantly higher than the actual cost a patient will pay for a drug. Consequently, AMCP does not support the use of "list price" to accurately address all the various components that are included in a patient's actual out-of-pocket cost and could cause further confusion for the patient.

Furthermore, there may not be any generic or alternative brand name options for a new advertised drug where a patient could compare costs of alternative options. List prices may also vary depending on the strength of the drug resulting in further confusion for both manufacturer reporting and for the patient when comparing options. For these reasons, it is unclear how useful CMS's proposal will be for patients in lowering their drug costs.

In a recent proposed rule on *Modernizing Part D and Medicare Advantage to Lower Drug Prices and Reduce Out-of-Pocket Expenses [CMS-4180-P]*, CMS is proposing to update Medicare Part D E-Prescribing (e-Rx) standards by requiring Part D sponsors to implement a Real Time Benefits Tool (RTBT), capable of interfacing with Electronic Medical Records (EMRs) and eRx systems, which would allow full drug cost transparency and display each drug's full negotiated price at the point of prescribing. AMCP encourages CMS examine tools such as RTBT when presenting drug pricing information to patients as these technologies would allow providers to choose a medication with their patients that directly reflects the patient's true out-of-pocket costs in a shared decision-making process at the point of care.

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<sup>1</sup> AMCP Comments to HHS Blueprint to Lower Drug Prices and Reduce Out of Pocket Costs, July 16, 2018. <http://www.amcp.org/WorkArea/DownloadAsset.aspx?id=23723>. Accessed December 3, 2018.

<sup>2</sup> AMCP. Where We Stand: Direct-to-Consumer Advertising. <http://www.amcp.org/WorkArea/DownloadAsset.aspx?id=22038>. Accessed December 3, 2018.

Overall, AMCP is encouraged by CMS's proposal to provide better price transparency and believes that it is a step in the right direction to address better health care decision making when patients are presented with cost information. However, we do not encourage advertising aimed at consumers that promotes the use of specific prescription drug products and we have concerns with how CMS's proposal, if finalized, will truly benefit patients if it does not include information specific to their individual needs and prescription drug benefit design.

AMCP appreciates your consideration of the concerns outlined above and looks forward to continuing work on these issues with CMS. If you have any questions regarding AMCP's comments or would like further information, please contact me at 703-683-8416 or [scantrell@amcp.org](mailto:scantrell@amcp.org).

Sincerely,

A handwritten signature in black ink, appearing to read "Susan Cantrell", with a long horizontal flourish extending to the right.

Susan A. Cantrell, RPh, CAE  
Chief Executive Officer