



Dear Pharmacy Owner:

Consumer access to your independent community pharmacy is at grave risk. Multiple factors by outside entities such as the Medi-Cal program and PBMs continue to erode the viability for independent pharmacies to survive.

### **Medi-Cal**

We wish we could say that the Department of Healthcare Services (DHCS) is a friend of community pharmacy, but once again, we find ourselves fighting for reasonable reimbursement for the medicines you furnish to improve the health of the poorest people in California.

It is clear that DHCS policy makers who oversee the Medi-Cal system do not listen. Just last year we fought DHCS and their blatant discrimination against Los Angeles-based pharmacy owners to enroll in Medi-Cal through the provider moratorium. **We were proud to win that fight** with the elimination of the Medi-Cal moratorium.

Now we find ourselves once again at odds with DHCS. Recently, DHCS had an opportunity to carve out high cost brand and specialty medications from the recently-implemented NADAC outpatient drug reimbursement process. However, instead of considering all the data, DHCS chose to exclude important factors in the NADAC formula resulting in many expensive brand and all specialty medications being paid below acquisition cost!

And to add insult to injury, because DHCS took **2 years** to implement this new reimbursement scheme, they now want to come after you for payback. Recoupment for the re-adjudicated claims from April 2017 to February 2019 will begin in May of this year. And the schedule of recoupment is aggressive. DHCS has stated that they will withhold up to 100% of a Medi-Cal check from your pharmacy to settle up the clawback until the total recoupment is paid. This is blatantly unfair and will have a catastrophic impact.

### **PBMs**

Pharmacy Benefit Managers (PBMs) continue to negatively impact your viability as an independent community pharmacy. It seems as if each year they develop creative new ways to financially penalize you for taking care of your patients. Whether it is DIR fees, GER, or insultingly low professional service dispensing fees, there seems to be no end to what PBMs will do to threaten your viability.

CPhA was proud to work with Assemblymember Jim Wood, DDS on the passage and signing of AB 315 last year. For the first time in history, PBMs are now going to be regulated by the Department of Managed Health Care in California. The implementation of this legislation will take some time as the agency rolls out the rule-making process. But in the meantime, PBMs continue to extract millions of

dollars from independent community pharmacies. AB 315 was a huge victory, but we know that more needs to be done to curtail the PBM abuses.

### **Join the Fight**

Like you, the California Pharmacists Association (CPhA) is tired. We are tired of policies that DHCS and PBMs create that harm a pharmacy owners' ability to provide healthcare to patients in your practice. Now is the time to stop the continued attack on community pharmacies and remind DHCS and PBMs that without community pharmacies, neighborhoods will lose access to the most accessible form of healthcare.

### **That is why CPhA is fighting back, but we need your help!**

Our first priority is to stop the Department of Health Services clawback that is set to begin May 31, 2019. Next stop is to challenge the flawed methodology that led DHCS to adopt the NADAC proposal for specialty medications in the first place. And finally, we will be mounting an aggressive public affairs campaign to shine more light on the PBM practices and eliminate their policies such as DIR fees from being implemented in California.

In order to successfully build out this aggressive plan and an effective public policy alliance, we need resources to fight back. We are asking each pharmacy owner to make a contribution to the **Community Pharmacy Advocacy Group fund**. These contributions are for these independent owner issues only, and are necessary to hire the best and brightest litigation attorneys and public policy/public relations firm to build a case in the legislature and within the Administration.

This will be no small effort. These are complex issues that will be faced with formidable pushback from DHCS and the PBMs. But we know that independent community pharmacies are the face of neighborhood healthcare and we need to take a stand. We are asking all pharmacy owners and pharmacists to make a **minimum \$5,000 contribution to campaign**.

By donating to the fund, pharmacy owners from across California will join forces with CPhA to engage an aggressive legal and public policy campaign to try and mitigate these actions.

DHCS and PBMs have a track record of attacking community pharmacies. Now is the time to let the courts and legislature put the brakes on those harmful actions and end discrimination against community pharmacies.

For questions, contact Jon Roth, Chief Executive Officer at [jroth@cpha.com](mailto:jroth@cpha.com) or Michelle Rivas, Vice President, Center for Advocacy, at [mrivas@cpha.com](mailto:mrivas@cpha.com).

# community pharmacy advocacy group fund

## Contribution Form

The purpose of the Community Pharmacy Advocacy Group (CPAG) Fund is to form a Strategic Alliance with all pharmacy owners and stakeholders to provide action against the Medi-Cal NADAC clawback and pricing methodology as well as continued abuses from PBMs. Funds will be used exclusively for independent owner issues and hiring legal counsel and public relations advocacy work. Thank you for your support!

### Contribution Level

- \$5,000 (minimum)  
 Other: \$\_\_\_\_\_

### Contribution Information

First Name: \_\_\_\_\_ Last Name: \_\_\_\_\_

Company/Pharmacy: \_\_\_\_\_

Pharmacy Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Email Address: \_\_\_\_\_

Employer (If different from Pharmacy listed): \_\_\_\_\_

### Payment Options

Check: # \_\_\_\_\_ (if paying by check, please make payable to CPhA CPAG Fund)

Credit Card:  Visa  Mastercard  American Express  Discover

Credit Card Number: \_\_\_\_\_

Exp. Date: \_\_\_\_\_ Security Code: \_\_\_\_\_

Billing Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Name on Card: \_\_\_\_\_

Cardholder's Signature: \_\_\_\_\_

Please mail this completed form and payment to:  
CPhA, 4030 Lennane Dr., Sacramento, CA 95834  
Or fax: (916) 779-1401



california pharmacists association