NPSC
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Network News

WWW.NORTHEASTPHARMACY.COM NOVEMBER/DECEMBER 2016

What's the Price?

By: David Benoit

The EpiPen pricing nightmare has started a ball rolling that may keep gathering momentum. The 600% price increase of EpiPens is a mystery that has led regulators to pull the curtain back and better understand how drug pricing decisions are being made. For the most part, the EpiPen discussion is about brand products; a product formerly with multiple competitors is suddenly down to a single source, Mylan. Part of the proposed Mylan solution is to bring its own generic product to market at half the price (which is only 300% more than it was a few short years ago).

Mylan has offered the US government several hundred million dollars. Senator Blumenthal rejects the proposed settlement as a fraction of the generic rebates that should have been paid to CMS. Is it a brand or is it a generic? A better question is where did all of the multisource competitors go, and why? So there are two conversations taking place: Why are brands so expensive? Secondly, why do some generics become so expensive?

When Medicare D came into being on January 1, 2006, there was an upfront deductible and the "donut hole". Both of these things exposed patients to the true cost of drugs. While we may not have appreciated that at the time, it now seems obvious that the plans' design would foster widespread adoption of generic drugs. In the first year, more than 80% of Medicare D prescriptions were fulfilled with generic products.

The brand manufacturers still needed their revenues, even though their market shrank. What followed were relentless increases in existing brands' prices, product line extensions representing brand life cycle extensions, new types of drug product research, and new product pricing to knock your eyeballs out. None of this was intended policy in creating Medicare D. Read on to follow the various threads of this emerging phenomenon.

On the brand side, read **Bernie Sanders calls for federal investigation of insulin makers for price collusion** *STAT News (11/03/16) Silverman, Ed on page 4.* Then check out the article, **Backlash Against Drug Prices Hits Manufacturers and Middlemen** *Wall Street Journal (10/29/16) Loftus, Peter on page 10.* You'll see that PBMs are being dragged into this. In the words of Ron Lanton, Esq., NPSC Lobbyist of True North Political Solutions, "This is one of the first times a major news outlet has put the blame for price increases on the PBMs. As more and more manufacturers are taken to task for higher drug prices they are now refocusing policymakers onto the PBMs. It is not clear if more focus on PBMs will result in regulation on them but it is an issue that we will continue to watch." At the same time, the "clawback" issue has expanded and is reported by NCPA in **PBM Clawbacks Exposed in Minnesota and Louisiana** NCPA on page 5.

PBMs are not incented to keep drug prices down when they can get rebates. In fact, the higher the posted price, the higher the possible rebates. Right? As disappointing as CVS corporate earnings are at the moment, their PBM is experiencing another outstanding year.

Check out the article describing how the pharmaceutical industry is preparing for battle. Read, **Drug industry mounts defense of pricing** *Wall Street Journal*

Continued on pg. 2

SPECIAL POINTS OF INTEREST:

- **NCPA INNOVATION CENTER FOR NEW PHARMACY PRACTICES (PG. 6)**

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INSERTS

ANDA
DM MERCHANDISING
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RETURN SOLUTIONS

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What's the Price? (continued from pg. 1)

(11/04/16) Loftus, Peter on page 10.

Then, see how the generic industry and those massive price increases on select products have gained attention. Read, **Generic drug firms face possible collusion charges** *Wall Street Journal (11/04/16) Loftus, Peter; Kendall, Brent; Matthews, Christopher on page 4.*

Community Health Pharmacy, New Haven, CT

Fitchburg Family Pharmacy, Fitchburg, MA

Galaxy Pharmacy, Quincy, MA

Gardner Family Pharmacy, Gardner, MA

Health Care Family Pharmacy, Dracut, MA

Natick Family Pharmacy, Natick, MA

Leominster Family Pharmacy, Leominster, MA

Prescott Pharmacy LTC, Worcester, MA

Worcester Family Pharmacy, Worcester, MA

2017 Practice Based Immunization Training for Pharmacists

Thursday, April 6, 2017
Aqua Turf
Plantsville, CT
7:00 – 5:00
http://pharmacy.uconn.edu/academics/ce/immunization/

TUESDAYS AT 10

Argosy Group is offering the NPSC network FREE monthly webinars with the best in DME information! This is a wonderful service that many of our network stores have come to look forward to. It will be the best 30 minutes you spend all day!

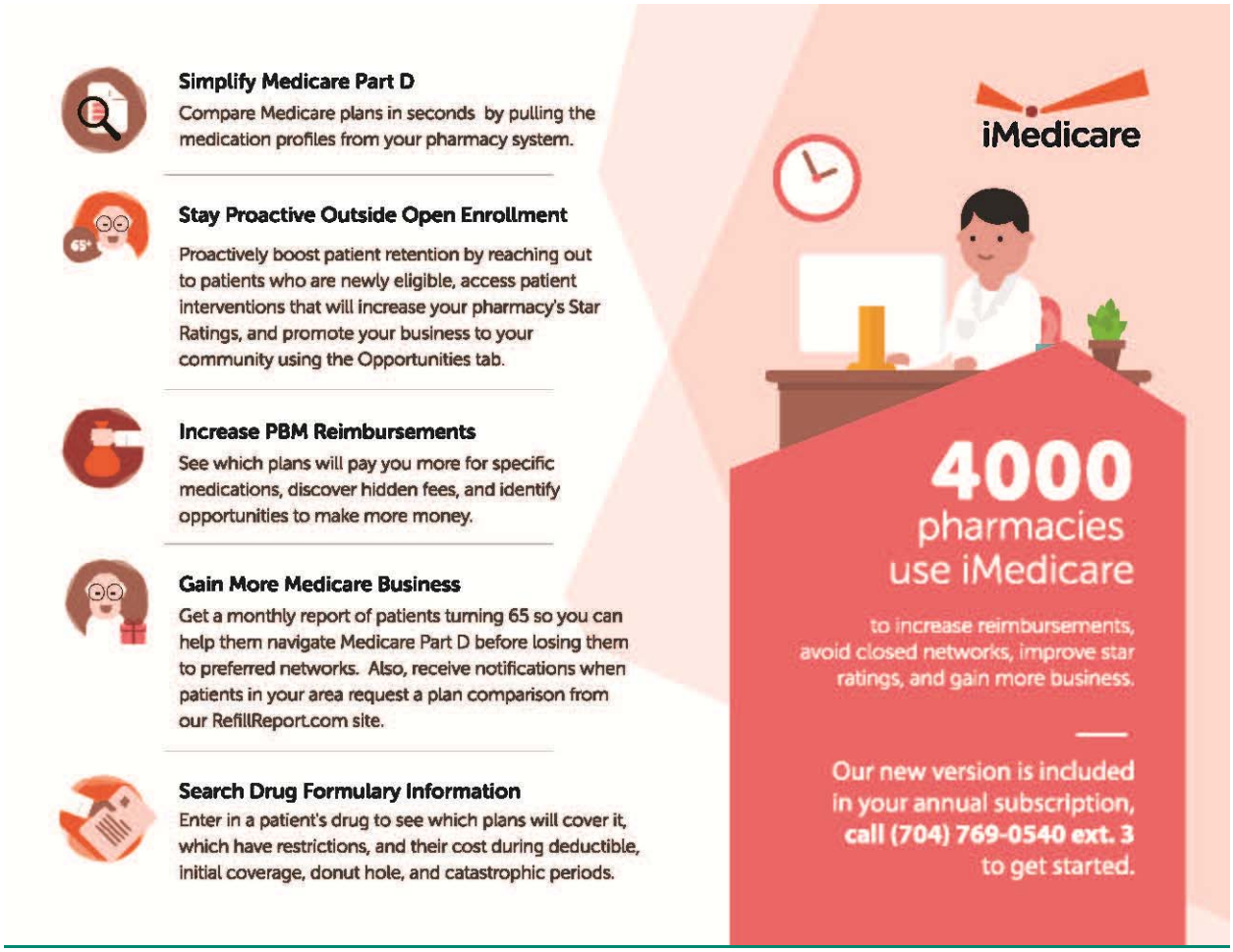
Next Webinar

Date: Jan 10, 2017 Time: 11:00 EST

Topic: TBA

Register: www.northeastpharmacy.com

Click on Tuesday at 10 Tab



Renewal Applications Online

Starting January 1, 2017, DEA will only send out one renewal notification in accordance with Title 21, Code of Federal Regulations, Section 1301.13(e)(3). The renewal notification will be sent to the "mail to" address for each DEA registrant approximately 65 days prior to the expiration date. No other reminders to renew the DEA registration will be mailed.

This is to also advise you that the online capability to renew a DEA registration after the expiration date will no longer be available. You will have to complete an application for a new DEA registration if you do not renew by midnight Eastern Time of the expiration date. The original DEA registration will not be reinstated.

Paper renewal applications will not be accepted the day after the expiration date. If DEA has not received the paper renewal application by the day of the expiration date, mailed in renewal applications will be returned and the registrant will have to apply for a new DEA registration.

Generic drug firms face possible collusion charges

Wall Street Journal (11/04/16) Loftus, Peter; Kendall, Brent; Matthews, Christopher

The U.S. Justice Department reportedly could begin to bring criminal cases for price collusion in the generic drug industry before year's end, though the timing of any potential enforcement actions remains uncertain. The specific companies that are a focus of the investigation are not known. However, subpoenas have been sent to several manufacturers of generic drugs and to some individual executives, seeking information about product pricing and "communications with competitors," according to the companies' filings with the Securities and Exchange Commission over the past 2 years. Those companies include Teva Pharmaceutical Industries; Mylan; Dr. Reddy's Laboratories; Taro Pharmaceuticals; Endo International; and Actavis, which Allergan PLC recently sold to Teva. In a separate probe, a group of state attorneys general are reportedly investigating generic drug companies for price-fixing. That probe began in 2014 and includes smaller drug companies as well as some of the largest U.S. drug manufacturers and the U.S.-based subsidiaries of foreign companies, according to a person familiar with the matter.

Loftus, Peter, Kendall, Brent, Matthews, Peter, Generic drug firms face possible collusion charges, *Pharmacy Today*, Nov 4, 2016. Web. Dec 7, 2016.

Bernie Sanders calls for federal investigation of insulin makers for price collusion

STAT News (11/03/16) Silverman, Ed

Sen. Bernie Sanders (D-VT) has asked the Department of Justice and the Federal Trade Commission to investigate three insulin makers for price collusion. Sanders and Rep. Elijah Cummings (D-MD.) in a letter sent on Thursday referred to a pattern in which prices for insulin sold by Eli Lilly, Sanofi, and Novo Nordisk often rose in tandem over several years. The lawmakers expressed concern that the drug companies may have been coordinating their pricing and, as a result, driving up the cost. Their letter cited a recent analysis that found the cost of insulin more than tripled between 2002 and 2013. Meanwhile, since 2009, the lawmakers pointed to 13 instances in which the prices of Sanofi and Novo Nordisk insulin brands rose in lockstep. They said Lilly did the same. "We strongly disagree with the accusations in the letter. The insulin market in the U.S. is highly competitive," said a spokesman for Lilly. A spokesman for Novo Nordisk said that "we set price for these life-saving medicines independently and then negotiate with payers and PBMs to ensure patients have access to them. We stand by our business practices." A spokeswoman for Sanofi said the company "sets the prices of our treatments independently."

Silverman, Ed. Bernie Sanders calls for federal investigation of insulin makers for price collusion, *Pharmacy Today*, Nov 4, 2016. Web. Dec 7, 2016.

The ABN: When to Use?

Rayleen Stubbs, Argosy Group

When using the ABN form, it's important to execute the form with confidence as to why (or if) it is needed. As a general rule, **ABNs should not be executed when you expect a claim to pay** (upgrades and a few exceptions included). When ABNs are appropriate, indicate to Medicare whether the ABN is required or voluntary. So, how do you know if an ABN is required or voluntary?

A required ABN is issued under the following circumstances:

- lack of medical necessity (this includes not meeting coverage criteria in a LCD, or where there is indication of same or similar equipment, among other scenarios),
- denial of an Advanced Determination of Medicare Coverage (ADMC),
- operating without a supplier number, and
- prohibited, unsolicited telephone contacts in violation of supplier standards.
- Alternately, a voluntary ABN should be used in instances when the item is expected to deny for statutory reasons.

When in doubt, call the Argosy Group Help Desk. A resource provided to members of NPSC.

CALL: 785-783-0779 or Email: hmehelpdesk@argosygroup.org
Available M-F 9 a.m. – 5 p.m. EST (excluding Federal Holidays)

PBM Clawbacks Exposed in Minnesota and Louisiana

Article used with permission, NCPA, Advocacy News, 11/7/2016 eNews Weekly Archives

Another local TV station has investigated PBM clawbacks and how gag clauses forbid pharmacists from telling patients about insurance overcharges and less expensive alternatives. Reporter Jay Olstad of KARE 11 in Minneapolis aired his segment last Friday. Among his interviews was NCPA CEO B. Douglas Hoey, Pharmacist, MBA, who said two of the most active PBMs in employing clawbacks were OptumRx and Catamaran, both owned by United Healthcare, headquartered in a Minneapolis suburb. Class action lawsuits have been filed against the United Healthcare and OptumRx over clawbacks. The United Healthcare declined to comment on camera to KARE 11.

An attorney involved in one of the clawback lawsuits told the *Louisiana Record* Nov. 4 that the practice is "so unseemly that it's hidden from customers on purpose—with the contracts that insurers sign with pharmacies for premium drug prices restricting the pharmacies from even disclosing the practice to their own customers."

Hahnville, La.-based attorney Andrew Lemmon of the Lemmon Law Firm, further explained: "In real simple English, if someone had a $50 copay and the prescription only cost $10, Optum would claw back the $40 difference from the pharmacy. It's fairly common in the industry. A lot of the big ones do it."

Medication Therapy Management
You Must Find Time to Do Your Cases

By Pat Monaco

NPSC has been encouraging all of our network stores to do their MTM cases for a number of years. Yes, it can be difficult to try and figure out how you are going to fit them into your workflow and do everything else you have to do. The act of providing MTM services is not a one-person project; it has to be a team effort! Technicians can do everything to prep for the consultation whether by phone or face to face. All that is required of the pharmacist is the actual interaction with the patient – NOTHING ELSE! Engage your staff into thinking through this process and incentivize them to participate. If they are the authors of the plan, they will participate in the plan!

You do and have been doing many of the things that are now called MTM – the difference is that now it has to be documented and you are paid for the service. MTM is now required for many patients in Medicare. The need for this is not going to go away. Studies have found that it is a very effective method of helping to manage costs in chronically ill patients. MTM's will increase in numbers next year and beyond, so it is best if you and your staff get on board now to work out the process of how to handle them.

Patients may show disinterest in having their MTM's done – you have to find a way to communicate with them so you can help them be healthier and save the system money. Patients will be dis-incentivized on the plan side as well with higher co-pays and premiums for non-compliance.

MTM activity is part of the stars rating measure that health plans and PBM's are looking at. They have already begun to choose networks for some plans based on the performance of the stores within that network. Don't be the store that drags the scores down for the network you are in –and don't be the one told they are no longer in a network due to non-compliance with MTM's. It's good medicine!

NCPA launches Innovation Center to Advance New Pharmacy Practices

Used with permission, *America's Pharmacist*, September 2016 pg. 8

NCPA has established an Innovation Center to assist and speed the evolution of independent pharmacies into a new healthcare environment. The Center will develop and execute programs to educate community pharmacists on new opportunities, new roles for the community pharmacist through peer exchanges of best practices. There is a 14 member board of directors made up of prominent pharmacists and partners of independent pharmacy. NCPA's CEO will serve as the Chairman, Kurt Proctor PhD, Rph will serve as the Innovation Center President.

Used with permission, *America's Pharmacist*, Nov, 2016 pg. 8

Source: 2016 NCPA Digest, sponsored by Cardinal Health

Average Number of Rx's Dispensed per pharmacy location

New: 29,532 (49%)
Renewed: 30,961 (51%)

Average Rx Charge: $56.37

NPSC has a limited number of *2017 Pharmacy Planning Guides from NCPA* – this fabulous month by month planner for your front store is available for free while supplies last… ($29.95 value to NCPA members) Please call the office at 800-532-3742 to place your order.

NPSC Expo & CE 2017

April 25-26, 2017
Mystic Marriott & Spa, Groton, CT

Attendee Registration Available in February!

- One Day Show
- Let's Network Kick Off Dinner Reception (Evening of April 25)
- Networking Opportunities During Breakfast, Lunch, and Evening Reception
- CE you'll need *and* use

Merchandising & Marketing Tips for the 2016-17 Flu Season

By Gabe Trahan, NCPA Senior Director of Store Operations and Marketing

Millions of Americans will catch the flu this year. That number will easily be trumped by the number of Americans who will do their best to steer clear of getting it. Do your customers a great service: offer different ways to avoid the flu and ways to find relief from flu symptoms.

END-CAPS:
Create a minimum of two end-caps: one for flu prevention and one for symptom relief. (Optimum space: two end-caps for prevention and one for relief.) Do not try to duplicate your Cough, Cold and Flu section; instead, use the end-caps to highlight products you wish to promote. Triple-face each item on the shelves (i.e., three of the same items featured side by side). This is a valuable opportunity to promote your private label products. Consider one facing of the brand item alongside two facings of the associated private label item; place the brand name product to the left of the first facing of the private label item.

☐ **Products for Prevention End-Cap:** Include items such as hand sanitizers, CDC-approved masks, disposable gloves, disinfecting wipes, toothbrushes, antiviral facial tissues (maintain an inventory level of 12 each of the different sizes of antiviral facial tissue), disinfectant sprays and surface cleansers, antibacterial soap, homeopathic immune boosters, time-release vitamin C, and germ-fighting mouthwashes.

☐ **Products for Relief End-Cap:** Choose a selection of flu symptom relief formulations in tablets, gel-caps, powder mixes, liquids, lozenges, and or nasal sprays. Consider daytime, nighttime and combination day & nighttime relief. Have a wide choice of thermometers on hand.

Mark your calendar: Dec. 7-13 is both National Influenza Vaccination Week and National Handwashing Awareness Week. Use this information to establish themes for end-caps in late November/early December.

SIGNS:
These are a must-have! Signs are the most important item that you can display because they promote customer awareness and action. Look to purchase royalty-free, inexpensive graphics for your sign by visiting sites like photodune.net.

☐ **Sample Prevention Messages:**

Avoid the Flu! – *Start Fighting the Flu Now, Wash Your Hands Often*
Wipe Down Household Surfaces! – *Protect Yourself and Your Family from the Flu*
Throw Away Those Germs! – *Time for a New Toothbrush* Gabe.Trahan@ncpanet.org Twitter: @NCPAGabe ©2016 NCPA

☐ **Sample Symptom Relief Messages:**

Flu Symptom Relief Center – *Flu Relief, It's Smart to Have it on Hand!*

Continued on pg. 9

"Merchandising" continued from pg. 8

Buy Now and Hope You Never Need It – *No one likes to shop when they have the flu!*

ADDITIONAL TIPS:

☐ **Remind customers in store and on your website** that it is important when sick with the flu to drink clear fluids like water, broth, sports drinks, or electrolyte beverages to prevent dehydration. (Stack packs of water and sports drinks near your Flu Relief Center.)

☐ **Homeopathy** items such Oscillococcinum are becoming increasingly more popular each year. Customers may be searching for natural remedies like Sambucol Black Elderberry garlic, echinacea, and ginseng supplements.

☐ **Traditional brand-name items to carry:** DayQuil, Mucinex , Delsym, Contac, Robitussin, Theraflu, Alka-Seltzer Plus, Triaminic, Tylenol, Motrin, Advil, Zicam, Airborne, Tylenol Cold & Flu Severe, NyQuil Cold & Flu, Alka-Seltzer Plus Flu Formula, Coricidin HBP Cold & Flu, Vicks DayQuil Cold & Flu, Contac Cold + Flu and **private label items**. Even small stores should maintain at least five of each item.

☐ **Checkout counters:** Your impulse display should stock hand sanitizers along with a larger poster suggesting flu prevention tips.

Share your successes and sign ideas with me at gabe.trahan@ncpanet.org.

– Gabe Trahan, NCPA Senior Director of Store Operations and Marketing
NCPA's Front-End *Overhaul*

Combating Medicare Parts C and D Fraud, Waste, and Abuse

Web Based Compliance Training is available on the CMS MLN: https://learner.mlnlms.com/Default.aspx

1) If you do not have an account, click "Create an Account"
2) Login using your ID and Password
3) On "Training Home" Screen, type "FWA" in the search box
4) Click "Combating Medicare Parts C and D FWA" course
   - Complete "Introduction" (8 pages)
   - Complete "Lesson 1: What is FWA?" (20 pages)
   - Complete "Lesson 2: Your Role In the Fight Against FWA" (20 pages)
   - Complete "Post-Assessment"
5) With a score of 70% or higher, the system will generate a certificate of completion.

Drug industry mounts defense of pricing

Wall Street Journal (11/04/16) Loftus, Peter

The pharmaceutical industry is spending millions of dollars in an effort to defend its pricing. The industry-funded effort is "more extensive" than usual, says K.J. Hertz, a legislative representative for AARP, which supports reining in drug prices. In some cases, self-described patient advocacy groups receiving industry funding are speaking out against efforts to curb drug spending. The industry is also financing a $109 million offensive against a closely watched California ballot proposal in the November 8 election that would require state agencies to pay the same discounted prices for drugs as the U.S. Department of Veterans Affairs. The Pharmaceutical Research and Manufacturers of America recently raised dues from its member companies for 2017, to help fund efforts including defending its positions on the cost of medicines. PhRMA raised more than $200 million in dues in 2014, according to a tax filing for the most recent year available. One of the biggest targets of the criticism from the drug industry and patient groups is the Institute for Clinical and Economic Review (ICER), a Boston nonprofit that analyzes drug costs and sometimes concludes medicines are overpriced. Drugmakers and their lobbying group say market competition is driving down the cost of medicines for many diseases, and that government pricing measures could backfire. They also say ICER's research undervalues the benefits of drugs and could lead to insurance restrictions.

Loftus, Peter. Drug industry mounts defense of pricing, *Pharmacy Today*, Nov 4, 2016. Web. Dec 7, 2016.

Backlash against drug prices hits manufacturers and middlemen

October 31, 2016

The drug industry is showing signs it is slowing the pace of price increases after years of major hikes. Shares of many drugmakers, wholesale distributors and PBMs declined severely Friday on new evidence in corporate earnings reports that pharmaceutical companies are declining to raise prices as sharply as in previous years.

The drug industry is showing signs it is slowing the pace of price increases after years of major hikes. Shares of many drugmakers, wholesale distributors and PBMs declined severely Friday on new evidence in corporate earnings reports that pharmaceutical companies are declining to raise prices as sharply as in previous years. The rising cost burden has triggered a backlash from patients, doctors, and insurers, who say the costs put drugs out of reach for some patients and strain health-care budgets. The Obama administration earlier this year proposed a new policy designed to curb Medicare spending on prescription drugs, by reducing what it considers to be an incentive for doctors to prescribe more expensive drugs. Companies and organizations that pay for portions of their employees' health care also have become emboldened by the public backlash and are pushing back against drug-price increases via PBMs that administer employee benefits. In February, 20 major employers formed an alliance to use their collective clout to reduce health care costs—including drug costs. The group expects to test pilot projects in 2017 to help employees obtain more affordable prescriptions. PBMs and insurers have increasingly chosen to exclude certain drugs from their preferred-drug lists if they have a suitable,

Continued on pg. 11

"Backlash" continued from pg. 10

lower-cost alternative. Some drugmakers have signaled a willingness to restrain price rises, or link prices to how much patients benefit from drugs.

Wall Street Journal (10/29/16) Loftus, Peter

Loftus, Peter. Backlash Against Drug Prices Hits Manufactuerers and Middlemen, *Pharmacy Today*, Oct 31, 2016. Web. Dec 7, 2016.

Changes for 2017

By David Benoit

It has been a rough year of preferred plans, exclusive plans, restricted formularies, drugs added to the "specialty" list, DIR fees, and performance plans as a disguise for DIR. It's a year almost all of us would like to put behind us. Does anyone want next year to be the same as this year? If the answer is yes, then you don't need to read what follows. If the answer is no: I want it to be different, better, etc., We must do some things to change it. We can't keep doing the same thing and expect a different result. Right?

Let's finish up 2016 by attending to all the end of year requirements. Check all your licenses and certificates (like Sudafed training) to make sure they are current. I just renewed my pharmacist license, but two years ago, it had expired six months before I realized it was expired. That's an expensive mistake. Check your CEs and make sure they are in order. Two years ago, I did not realize that I had only 10.5 hours of CE until later in January. I had to report myself to the Board and do triple the missing CE. I actually enjoyed that. You get the picture of closing out 2016.

What should we change? Well, we want to make as much money as possible filling prescriptions. It actually pays to be a high 5-Star performer. It pays to do the adherence and CMR cases in Mirixa. That improves the 5-Star performance. The better the performance, the more you get paid in Caremark's participating Medicare D performance plans. You can do the Outcomes cases, too. In Rhode Island, that could be a lot of cases and a lot of billable services. If you start to talk about patients with the pharmacy's technicians, clerks and other personnel, you will find there is much about some patients that the pharmacist is unaware. Your staff can do a lot of the legwork and preparation for these cases.

There is an opportunity starting to unfold in pharmacy. It started with Moose Pharmacy in North Carolina. It has grown in North Carolina to a network of more than 250 pharmacies. Recently, the network contracted with the state Medicaid program to provide enhanced services to some of those patients. The pharmacies get paid for these enhanced services. NCPA has joined the initiative and hopes to expand it across the country. We are beginning to look for pharmacists who want to be leaders in the development, implementation, and expansion of enhanced services. We are also starting to think about which plans and payers we might talk to about experimenting with enhanced services.

We will invite the originators of enhanced services to join us and inform us at the EXPO. Write it on your calendar, April 25 and 26, 2017 at the Mystic Marriott Hotel & Spa. We hope by then, things will have started to change.

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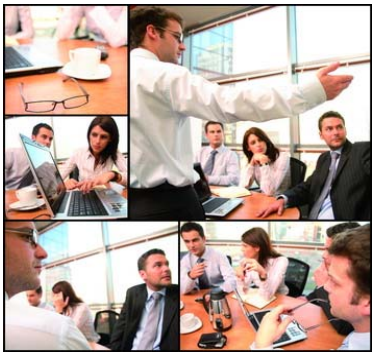

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