



PHARMACEUTICAL CARE MANAGEMENT ASSOCIATION

David B. Snow, Jr.  
Chairman and CEO  
Medco Health Solutions, Inc.

March 17, 2009

Mark Merritt  
President & CEO

Ms. Charlene Frizzera  
Acting Administrator  
The Centers for Medicare and Medicaid Services  
Room 445-G, Hubert Humphrey Building  
200 Independence Avenue, SW  
Washington, DC 20201

**Re: CMS-1561-IFC**

Dear Ms. Frizzera:

On behalf of the Pharmaceutical Care Management Association (PCMA), I appreciate the opportunity to provide comment in response to the January 16, 2009 Interim Final Rule with Comment (IFC) regarding Changes to the Competitive Acquisition of Certain Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) by Certain Provision of the Medicare Improvements for Patients and Providers Act of 2008 (MIPPA).

PCMA is the national association representing America's pharmacy benefit managers (PBMs), which administer prescription drug plans for more than 210 million Americans with health coverage, provided through Fortune 500 employers, health insurance plans, labor unions, and the Medicare Part D program.

The interim final rule seeks public comment on the competition of diabetic supplies. As mentioned in the IFC, CMS believes that,

*“it is consistent with the section 1847(a) of the Act [MIPPA] to employ competitive bidding for diabetic supplies in both the mail order and traditional retail markets, in part due to concerns raised about the bifurcation of the method of delivery of diabetic supplies and the difficulty in defining what constitutes “mail order.””<sup>1</sup>*

We appreciate CMS' acknowledgement of the potential conflicts in separating traditional retail markets out from mail order pharmacy in the competitive bidding process and would like to take this opportunity to support CMS' proposal and reiterate the concerns of our April 7, 2008 letter on the subject.

As you know, the initial policy decision of Round I excluded non-mail order suppliers from the competitive bidding provisions of the DMEPOS program. This decision differentiated among suppliers based on the mode of delivery of supplies and was only applied to the diabetes supply category. We believe such a bifurcation is anti-competitive in nature and does not support the objectives of the competitive bidding program.

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<sup>1</sup> 74 FR 2878

Our member companies competitively bid for pharmacy management business every day and support the overall concept envisioned by Congress. However, the decision to exclude retail providers from the program runs counter to the goals of competitive bidding and may very well yield fewer savings for both beneficiaries and the Medicare program. At the same time there is a loss in potential savings, mail order suppliers who participate in the program will be penalized with lower reimbursement rates than their competitors in the retail setting. Mail order suppliers like our members meet the same qualifications as retail suppliers and provide quality service.

Continuing a policy that excludes retail pharmacy will not only miss an opportunity to reduce costs, but likely increase costs for the program. As CMS moves forward with implementation of this program, we urge you to provide equitable guidelines for both mail and retail suppliers.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Merritt". The signature is fluid and cursive, with a distinct loop at the end.

Mark Merritt  
President and Chief Executive Officer