

## **Any Willing Pharmacy (AWP) Changes Are Needed to Improve Beneficiary Access to Specialty Pharmacies**

### *Background*

The Medicare Part D Program requires Medicare Part D plans to offer any willing pharmacy (AWP) an in-network pharmacy contract with standard terms and conditions that are reasonable and relevant. Congress intended the AWP provisions to help lower costs and improve beneficiary access to all types of pharmacies. Unfortunately, many Medicare Part D plans are inappropriately including certain terms and conditions to their standard contract that are anti-competitive and fail to take into account the services and capabilities of specialty pharmacies<sup>1</sup> and the vulnerable beneficiaries they serve. Such practices are unfair and must be reformed.

### *Issue*

NASP believes that current AWP contracts do not comply with CMS' statements that the AWP standard contracting terms must be reasonable and relevant. For example, many AWP contracts contain the following provisions that are not related to cost sharing, do not seek to broaden the network, and are not sensitive to the beneficiaries being served by the terms and conditions.

### Examples of Unreasonable AWP Requirements

- Specialty Pharmacies must be licensed in all 50 states, Guam and Puerto Rico. This unfairly excludes regional specialty pharmacies that often have a better understanding of the care required and expected in their community.
- Because of the lack of a specialty pharmacy class of trade contract and the unavailability of a mail order contract, specialty pharmacies are only presented with a retail pharmacy contract. This contract typically contains provisions that the pharmacy cannot mail, courier, or otherwise deliver any of its prescriptions without the network's express written permission. Since many specialty

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<sup>1</sup> A specialty pharmacy is a state licensed pharmacy that solely or largely provides only medications for people with serious health conditions requiring complex therapies. These include conditions such as cancer, hepatitis C, rheumatoid arthritis, HIV/AIDS, multiple sclerosis, cystic fibrosis, organ transplantation, human growth hormone deficiencies, and hemophilia and other bleeding disorders. In addition to being state-licensed and regulated, specialty pharmacies should be accredited by independent third parties such as URAC®, the Accreditation Commission for Health Care (ACHC), the Center for Pharmacy Practice Accreditation (CPPA) or the Joint Commission, in order to ensure consistent quality of care. [http://naspnet.org/wp-content/uploads/2016/06/633570\\_864cb572b8b042909a3f207eaf764d7a.pdf](http://naspnet.org/wp-content/uploads/2016/06/633570_864cb572b8b042909a3f207eaf764d7a.pdf)

therapies<sup>2</sup> are sent in the mail, the specialty pharmacy cannot comply with the AWP standard terms and conditions.

- Require that specialty pharmacies carry certain limited distribution drugs that are only carried by a few pharmacies thereby disqualifying all specialty pharmacies outside of those particular drugs' networks.
- Carry a broad array of specialty therapies such as medications for hepatitis c, hemophilia, oncology, and Rheumatoid Arthritis. This provision excludes specialty pharmacies that focus on a certain disease state thereby eliminating beneficiary access to experienced caregivers for their disease.
- Meet a threshold for obtaining patient financial assistance for its patients, which is typically not achievable.
- Provide evidence of onsite inventory with capability to dispense and ship at least fifteen hundred (1,500) specialty prescriptions per day, which is an arbitrary number aimed and excluding smaller specialty pharmacies.
- The standard condition that requires each specialty pharmacy to employ at least one registered nurse per state for each of the fifty (50) states discriminates against the regional and smaller specialty pharmacies.

CMS should develop Specialty Pharmacy Network adequacy standards similar to the Long-Term Care Pharmacy (LTCP) Performance and Service Criteria developed by the agency in March 2005.<sup>3</sup> CMS developed this policy to assist Medicare Part D plans in developing their policies for pharmacies serving Medicare beneficiaries residing in long-term care facilities (LTCFs). In developing this guidance, CMS recognized special service standards (e.g., special packaging, pharmacist on-call services, and comprehensive inventory and inventory capacity) that LTCPs must meet to care for the unique beneficiary population served in LTCFs. Similar to LTCPs, specialty pharmacies provide services to beneficiaries that are more complex than retail and, therefore, require a greater level of care. Specialty pharmacies connect patients who are severely ill with the medications that are prescribed for their conditions, provide the patient care

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<sup>2</sup> Specialty drugs are more complex than most prescription medications and are used to treat patients with serious and often life threatening conditions. These medications may be taken orally but often must be injected or infused and may have special administration, storage and delivery requirements. Many of these injectable medications are self-administered in the patient's home. Specialty prescription medications cannot be routinely dispensed at a typical retail community pharmacy because the therapy typically requires special handling as well as significant patient education regarding appropriate utilization. Typical retail pharmacies are not designed to provide the patient care or other services that specialty medications require. [http://naspnet.org/wp-content/uploads/2016/06/633570\\_864cb572b8b042909a3f207eaf764d7a.pdf](http://naspnet.org/wp-content/uploads/2016/06/633570_864cb572b8b042909a3f207eaf764d7a.pdf)

<sup>3</sup> Medicare Prescription Drug Benefit Manual, Chapter 5: Benefits and Beneficiary Protections. Section 50.5 Long-Term Care (LTC) Pharmacy Access. Centers for Medicare & Medicaid Services. Accessed at <https://www.cms.gov/Medicare/Prescription-Drug-Coverage/PrescriptionDrugCovContra/downloads/LTCGuidance.pdf>



services that are required for these medications, and support patients who are facing reimbursement challenges for these highly needed but also frequently costly medications.

### *Next Steps/Solutions*

NASP urges CMS to issue guidance requiring Part D plans to maintain an adequate Specialty Pharmacy Network to ensure performance and service standards that protect beneficiaries similar to CMS guidance for LTCPs. In developing this guidance, CMS should convene stakeholder meetings to identify the unique performance and service standards provided by specialty pharmacies.

NASP believes that plan sponsors must demonstrate how each of the AWP provisions complies with CMS' goal of broadening and ensuring appropriate access and are reasonable and relevant to the population of Medicare beneficiaries that the specialty pharmacy serves. By reforming its AWP provisions, CMS will ensure that Medicare beneficiaries have access to specialty pharmacies.