



November 19, 2024

Daniel Tsai
Deputy Administrator and Director
Center for Medicaid and CHIP Services (CMCS)
Centers for Medicare & Medicaid Services (CMS)
Department of Health and Human Services
7500 Security Boulevard Baltimore, MD 21244

RE: November 19, 2024 Decline in NADAC Rates and Potential Solutions to Address Volatility

Dear Director Tsai:

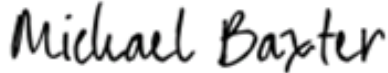
The American Pharmacists Association (APhA) would like to thank CMS for their prompt communication regarding potential solutions to address the significant decline in the National Average Drug Acquisition Cost (NADAC) price benchmark on November 19, 2024. As you know, different large pharmacy chains sporadically responding to the NADAC survey have resulted in significant financial hardships for pharmacies across the marketplace. APhA appreciates that CMS shares our joint concern that pharmacies will continue to [close across the country](#) if they do not receive fair, reasonable, and predictable reimbursement for drug acquisition costs along with equitable dispensing fees that appropriately cover all pharmacy costs and services.

APhA is the largest association of pharmacists in the United States advancing the entire pharmacy profession. APhA represents pharmacists, scientists, student pharmacists, and pharmacy technicians in all practice settings, including but not limited to community pharmacies, hospitals, long-term care facilities, specialty pharmacies, community health centers, physician offices, ambulatory clinics, managed care organizations, hospice settings, and government facilities. Our members strive to improve medication use, advance patient care, and enhance public health.

APhA is supportive of CMS' short-term solution, of applying a smoothing process, beginning in December 2024, to monthly NADAC rates to decelerate month-to-month volatility. APhA appreciates CMS' commitment to identifying a long-term solution to address volatility under the benchmark that does not result in additional unsustainable and significant declines in NADAC rates.

APhA appreciates our recent meetings and the collaborative nature CMS is taking in working with the pharmacy community to address volatility in the NADAC pricing benchmark through both short-term and long-term solutions. APhA stands ready to continue to collaborate with CMS on this important work. Please contact E. Michael Murphy, PharmD, MBA, APhA Senior Advisor for State Government Affairs at mmurphy@aphanet.org with any additional questions and/or any issues related to pharmacy reimbursement and ways to assist CMS in protecting Medicaid patients' access to their trusted, local community pharmacists.

Sincerely,

A handwritten signature in black ink that reads "Michael Baxter". The script is cursive and fluid, with the first letters of "Michael" and "Baxter" being capitalized and prominent.

Michael Baxter, MA

Vice President, Government Affairs