



## CMS Proposes Action on DIR Fees

*Policy aims to lower beneficiary cost-sharing at the pharmacy counter*

On January 6, 2022, the Centers for Medicare and Medicaid Services (CMS) released the Medicare Advantage and Part D Proposed Rule for CY 2023. In the rule, CMS proposes a policy that would require Part D plans to apply all price concessions they receive from network pharmacies at the point of sale. Under current practice, pharmacy price concessions, known as direct and indirect remuneration (DIR), are assessed after the point of sale.

Specifically, the proposed rule would redefine the "negotiated price" as "the lowest amount a pharmacy could receive as its reimbursement for a covered Part D drug under its contract with the Part D plan sponsor." According to CMS, this policy is aimed at reducing beneficiary out-of-pocket costs and improving price transparency and market competition in the Part D program. If finalized, the policy would go into effect on January 1, 2023.

The agency estimates that this policy would reduce beneficiary costs by \$21.3 billion over 10 years (or 2%) and increase Part D costs for the government by \$40 billion over 10 years through increases in direct subsidy and low-income subsidy payments (or 3%). Manufacturers are expected to save about \$14.6 billion over 10 years.

The US Oncology Network will submit comments on the proposed rule prior to the March 7, 2022 deadline.

To read the CMS factsheet on the proposed rule, [CLICK HERE](#).

To read the proposed rule in its entirety, [CLICK HERE](#).