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HHS SECRETARY ALEX AZAR MEETS WITH LOCAL PATIENTS, PHARMACISTS TO CONTINUE TRUMP ADMINISTRATION OBJECTIVE OF LOWERING DRUG PRICES

BATON ROUGE, LA (February 8, 2019) -- One day after President Trump declared in his State of the Union address the need for prescription drug pricing reforms, Health and Human Services Secretary Alex Azar paid a visit to patients and pharmacists at Chateau Drug and Gifts in Metairie to continue the conversation.

Sec. Azar began his visit meeting a small cadre of patients and independent pharmacists from across the state, but quickly began to address a list of pressing issues that have plagued American patients and their hometown pharmacy providers for years: high drug prices, lack of choice, kickbacks, secret mark ups and exorbitant retroactive fees charged by pharmacy benefit managers (PBMs) that undercut independent pharmacies and are ultimately passed on to the patient in the form of higher drug costs and insurance premiums. During his visit, Sec. Azar observed Chateau Drug pharmacists in action filling prescriptions and counseling patients, noting the degree to which independent pharmacies remain the patient's most accessible healthcare providers.

"We appreciate the work of the Trump administration and Sec. Azar's efforts to reduce prescription costs, ensuring necessary medications are available to American patients who depend on them for better health outcomes," said LIPA President and CEO Randal Johnson. "As we fight the access issues caused by drug manufacturer rebate 'kickbacks' and other price manipulations, we support the administration's effort to lower prescription drug costs for patients, and we'll continue to work with our congressional delegation and other leaders in Washington to see this effort through. We thank Sec. Azar for his time and coming to discuss the important issues such as DIR fees, rebates, and gag clauses with pharmacists here in Louisiana."

The visit, which was coordinated by the Louisiana Independent Pharmacies Association (LIPA) and NCPA, came as a result of Sec. Azar's willingness to share the Trump administration goals and listen to the impact of the current state on patients and pharmacies. Louisiana community pharmacists have been encouraging some of the state's proactive laws, which provide a level of patient and pharmacy protections against price gouging and retroactive fees for many prescription drug claims but needs the attention and assistance of the administration and Congress to impact Medicare and some commercial plans. In 2016, the Louisiana Legislature passed a law prohibiting PBMs from charging a pharmacy for



any claim-related fees that were not disclosed or after submitted at claims processing. This provision is needed to address Medicare claims where most independent pharmacies pay an average of \$107,302 in retroactive fees, and have no way to plan to cover the costs because the fees are taken - or “clawed back” after the fact.

Although Louisiana has been successful protecting patients and independent pharmacies from some of the ill-effects of a broken healthcare system, Mr. Johnson said there is still work to be done to lower prescription medicine costs and protect the relationship between patients and their hometown pharmacies. Pharmacies continue to be subject to PBM price manipulations, including the illegal practice of clawbacks - charging the patient more for a drug than the non-insurance “cash” price and then “clawing back” the difference as profit - and direct and indirect remuneration, a “rebate” system that is supposed to help lower the cost of Medicare premiums but so far has shown no evidence of working.

Independent pharmacies are the locally-owned, hometown small business drug stores who offer a variety of niche services and personalized care not found at most chain drug stores. As the most trusted, accessible medication experts, independent pharmacists play a critical role in Louisiana's health care delivery system. With a strong foundation in their communities, independent pharmacists lead grassroots public health, civic, and volunteer initiatives and are a vital community health resource. Since 2001, The Louisiana Independent Pharmacies Association (LIPA) has worked to promote and advance the pharmacy community by providing providing services that benefit its member independent pharmacies. For more information about Louisiana’s independently owned community pharmacies or LIPA, visit LIPAnow.org.

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