



1700 PENNSYLVANIA AVENUE, NW, SUITE 200, WASHINGTON, DC 20006

April 28, 2020

The Honorable Alex Azar
Secretary
U.S. Department of Health & Human Services
200 Independence Avenue, SW
Washington, DC 20201

RE: Emergency Relief for LTC Pharmacies

Dear Secretary Azar:

We appreciate the efforts you and your colleagues at the Department have taken to address the COVID-19 pandemic. We understand the Department must continue acting quickly, and so want to be sure the Department does not inadvertently overlook the needs of long term care (LTC) pharmacies. LTC pharmacies, and the consultant pharmacists whom they employ, truly are on the front lines of the COVID-19 emergency. Patients in nursing homes and assisted living facilities are among the most vulnerable and concentrated at risk population in the country, a sad reality reflected in the fact that more than 25% of coronavirus deaths have occurred among nursing home patients.

LTC pharmacies are unique in the health care delivery system. Sometimes known as “closed door pharmacies,” they dispense an average 8-9 prescription drugs a day to each nursing home resident. Additionally, they provide related consulting services that are crucial to high quality medication management for a medically compromised patient population. One LTC pharmacy may dispense thousands of prescriptions daily across an entire state, so widespread economic failure in the LTC pharmacy sector would endanger thousands of people across the country most at risk from the COVID-19.

Due to the pandemic, LTC pharmacies face a deepening financial crisis. Unplanned costs for additional personal protective equipment (PPE), social distancing, employee support and medication supplies, coupled with plummeting nursing home admissions, combined in March alone to increase LTC pharmacy costs by 6% and reduce revenues by 15%. This situation – especially substantial revenue declines – has worsened dramatically in April and likely will continue to do so in May. If there is widespread LTC pharmacy failure, a real possibility in the coming months, uninterrupted supplies of prescription drugs for nursing home residents and patients in other LTC facilities could be at risk.

As you know, Congress has appropriated \$175 billion to the Public Health and Social Services Emergency Fund (PHSSEF) which the Department administers. LTC pharmacies unquestionably

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are entitled to assistance from the PHSSEF. They are enrolled as providers or suppliers in every state Medicaid program in the country; however, this fact may be opaque to the Department. LTC pharmacies earn the bulk of their revenues from Medicare Part A (through contracts with nursing facilities) and Medicare Part D (through contracts with Prescription Drug Plans), but anomalously are not enrolled in the Medicare program. It is essential not only that the Department provide LTC pharmacies with financial assistance from the PHSSEF, but that the Department determine payments to LTC pharmacies based on patient revenues to assure that they receive the necessary funding to preserve access of crucial medications to patients in LTC facilities.

LTC pharmacies provide an essential lifeline of medication and services to residents in LTC facilities – the most frail, vulnerable and concentrated population at risk during the COVID-19 emergency. The residents, in nursing homes and other LTC facilities, and the LTC pharmacies that serve them, need and deserve help now. Please do not overlook this invaluable service. Ensure that they receive assistance in the next distribution from the PHSSEF.

Sincerely,

A handwritten signature in black ink, appearing to read "Alan W. Resnik". The signature is fluid and cursive, with a long horizontal stroke at the end.

President and CEO