



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

April 30, 2021

Via Electronic Transmission

The Honorable Charles Schumer
Senate Majority Leader
S - 221, U.S. Capitol
Washington, DC 20510

The Honorable Nancy Pelosi
Speaker of the House
H - 222, U.S. Capitol
Washington, DC 20515

The Honorable Mitch McConnell
Senate Minority Leader
S - 230, U.S. Capitol
Washington, DC 20510

The Honorable Kevin McCarthy
House Minority Leader
H - 204, U.S. Capitol
Washington, DC 20515

RE: COVID-19 Financial Relief for Long-Term Care (LTC) Pharmacies

Dear Leader Schumer, Speaker Pelosi, Leader McConnell, and Leader McCarthy:

We wrote to you last summer to express our concern that, without meaningful relief to offset the financial impact of the pandemic, residents in nursing homes and assisted living facilities may not have access to the prescription medications they need. Our companies comprise 30% of the LTC pharmacy sector and we are each members of the Senior Care Pharmacy Coalition (SCPC), which represents 75% of the sector overall. We write once again to report on the status of our efforts to secure assistance. Congress created the Provider Relief Fund as part of the CARES Act in March 2020; unfortunately, the situation remains unchanged since last summer. As of today, most LTC pharmacies have not received any assistance from the Provider Relief Fund.

Each day, nearly two million Americans in long-term care facilities rely on LTC pharmacies to manage and deliver their medications and to provide related patient care and services. These individuals suffer from multiple complex and chronic conditions, and rely on an average of 12 to 13 medications per day. LTC pharmacies provide not only those prescription drugs, but also a variety of clinical and patient care services essential to resident health and quality of life. Federal law specifically requires that LTC pharmacies provide health care services as well as prescription drugs to residents in LTC facilities. Getting the medication management right for the vulnerable citizens in long-term care facilities is crucial to their personal health and the quality of care provided in these settings. LTC pharmacies are the essential behind-the-scenes partner that make sure this process goes smoothly.

It is no secret that long-term care facilities and their residents have faced enormous and continuing challenges during the COVID-19 outbreak. Fortunately, now that most residents in LTC facilities are fully vaccinated, both infection rates and deaths among residents have plummeted. Our companies, and LTC pharmacies more widely, have been instrumental in getting vaccines to these residents, and continue

to do so to assure that new residents and those who have not yet received vaccines obtain the protection they need.

Despite this success, residents can ill afford interrupted access to drugs. While the pandemic has presented enormous challenges for LTC pharmacies, we are proud of the consistent support our sector has provided to the long-term care facility residents we serve. Our individual pharmacies across all 50 states have dispensed thousands of prescriptions every day without interruption throughout the COVID-19 outbreak. The absence of the timely, consistent pharmacy support we provide would make the dire circumstances long-term care facilities continue to face much worse.

Due to the pandemic, LTC pharmacy revenues have dropped more than 10% while costs increased 10% through the first quarter of this year. Unfortunately, the COVID-19 vaccination program has exacerbated pandemic-related losses for LTC pharmacies. SCPC's members have administered hundreds of thousands of vaccine doses to LTC facility residents, and report that the payments they received for vaccine administration covered only 60% of the costs to do so. While we have been happy to help assure that these residents are protected, doing so has worsened the financial impact of the pandemic and underscores that LTC pharmacies deserve relief. **Proportionate relief for LTC pharmacies would take no more than \$370 million and could take far less.¹**

The financial situation for LTC pharmacies mirrors the financial situation for nursing homes and assisted living facilities. In 2020, the Department of Health and Human Services (HHS) allocated more than \$12 billion in much deserved assistance. By contrast, and despite substantial bipartisan support, HHS provided almost no relief to LTC pharmacies, with most applications for relief flatly denied. It is essential that the next distribution from the Provider Relief Fund include LTC pharmacies, particularly as many providers who received relief last year seek additional relief in 2021.

To continue meeting the challenges imposed by this unprecedented health crisis, we respectfully request that urgent action be taken to provide the assistance LTC pharmacies so desperately need from the Provider Relief Fund. We therefore respectfully request that you ask Secretary Becerra to assure that LTC pharmacies receive proportionate relief in the next distribution from the Provider Relief Fund. We also ask that, if Secretary Becerra does not act expeditiously, you consider legislative clarification and direction on this use at the next available opportunity.

We always will remain committed to our long-term care residents and facilities. We have been and remain proactive partners in assuring that the challenges COVID-19 has presented to these essential facilities are never repeated. But we cannot be silent about the outsized impacts the pandemic has had on our sector and our continuing need for relief to fulfill this nation's promise to our most vulnerable citizens.

¹ In 2020, HHS provided relief roughly equal to 2% of annual patient care operating revenues. Depending on the methodology used to determine LTC pharmacy annual patient care operating revenues, SCPC estimates that the cost of relief meeting this standard could range from \$125 million to \$370 million. This range represents 0.07% to 0.5% of the \$178 billion Congress appropriated to the Provider Relief Fund in 2020.

Respectfully submitted,

The Senior Care Pharmacy Coalition



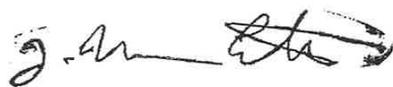
Kent Abbott, President & CEO, PharmcareUSA, Hydro, OK



Fred Burke, President & CEO, Guardian Pharmacy Services, Atlanta, GA



Robert E. Dries, President, PharMerica, Louisville, KY



J. Norman Estes, President & CEO, NHS Management, LLC, Tuscaloosa, AL



Phillip G. Fogg, Jr., CEO, Consonus, Milwaukie, OR



Brian H. Kramer, R.Ph., MBA, President & CIO, Forum Extended Care Services, Chicago, IL



Jill Krueger, President & CEO, Symbria, Inc., Warrenville, IL

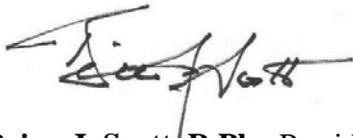


Chad Michel, CEO, M Chest Institutional Pharmacy Group, Sulphur Springs, TX

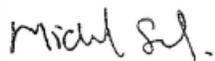
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Page 4 of 4

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Brian J. Scott, R.Ph., President, HealthDirect Institutional Pharmacy Services, East Syracuse, NY

A handwritten signature in black ink, appearing to read "Michael Segal". The signature is written in a cursive style.

Michael Segal, R.Ph., CEO, PharmScript, LLC, Somerset, NJ

A handwritten signature in black ink, appearing to read "Joe Whitt". The signature is written in a cursive style.

Joe Whitt, CEO, PCA Pharmacy, Louisville, KY