

CVS/Caremark Communication along with ASCO's response.

From: McKesson Specialty Health [<mailto:msh@mshinfo.mckesson.com>]

Sent: Monday, February 29, 2016 3:41 PM

To: Guyot, Mark

Subject: Important Update Regarding Caremark's In-Office Dispensing Services

Important Update Regarding Caremark's In-Office Dispensing Services

As a valued member of our In-Office Dispensing program, we wanted to share with you an important update regarding Caremark's In-Office Dispensing services. **Beginning January 1, 2017, physician dispensing class of trade will no longer be included in Caremark's Medicare Part D network.**

Caremark made this decision in accordance to the CMS Medicare Part D rules that define a "sponsor" network as a pharmacy only network. CMS considers physician dispensing facilities to be out-of-network, and has stated that drugs dispensed and administered by a physician's office "will be subject to the same treatment under out-of-network rules".

This decision will impact any new or existing physician dispensary and is not specific to any particular pharmacy services administration organization (PSAO) or partner wholesaler. It will not impact physician-owned pharmacies.

McKesson Specialty Health and AccessHealth are working through the full implications of this news as it relates to your in-office dispensing operations. The McKesson In-Office Dispensing team will support any practice that wishes to convert to a pharmacy model (in states where allowed), and will work with the practice to ensure all state specific rules and regulations are met. We are also actively exploring strategies for practices operating physician dispensaries in states that do not allow a physician-owned pharmacy class of trade.

We understand the importance of this news to your operations and will keep you updated as this process evolves.

Sincerely,

The McKesson Specialty Health In-Office Dispensing Team

ASCO's response:

You are correct that this Caremark Part D policy change is not based on CA statute or regulations. It is a new Caremark interpretation of an existing CMS Part D rule that Caremark is applying in 2017 across the country. CMS did not put out a new rule. Apparently CMS has confirmed that they agree with Caremark's interpretation of the rule.

ASCO staff are bringing this Caremark Part D policy change to the CPC for their input and it was shared with the Clinical Affairs team. If you have a sense from your members what the impact of this will be in CA, please let us know. We know that advocacy efforts are underway from a group of stakeholders to encourage Caremark to pull back on the policy and to involve CMS and Congress.