



CONGRESS MUST ACT NOW TO SAVE SENIOR ACCESS TO MEDS

LTC Pharmacies Need a Sustainable Payment Model

Long-term care (LTC) pharmacies deserve fair payment for services and a level playing field for contract negotiations with PBMs. This is critical to assure essential services for the millions of Americans who rely on LTC pharmacies every day.

THE ISSUE: Lowering prescription drug prices shouldn't inadvertently limit senior access to the essential services provided by LTC pharmacies.

- Lower drug prices are good for consumers, but the policy changes driving them have unintended consequences for LTC pharmacies, facilities, and patients, threatening access to medicines and essential pharmacy services, increasing costs, and encouraging more anticompetitive consolidation in health care.
- The impact on LTC pharmacies will be severe and unless Congress acts, many small LTC pharmacies— which represent more than 90% of the sector—will close their doors in 2026.

THE PROBLEM: Recent Medicare drug pricing policy changes and an outdated pharmacy payment model threaten the future of LTC pharmacies.

- The LTC pharmacy payment model is flawed. Part D Plans force LTC pharmacies to subsidize inadequate payment for their specialized services with revenues from expensive brand name drugs. Policies driving lower drug prices like the American Rescue Plan and Inflation Reduction Act unintentionally break the model with catastrophic consequences.
- LTC residents rely heavily on insulin, inhalers, and 8 of the first 10 drugs subject to negotiated Medicare prices in 2026. If the flawed payment model isn't fixed, most LTC pharmacies may not survive, and many seniors will lose access to essential services. The problem will only get worse as more branded drugs are subject to price negotiations each year.

THE SOLUTION: Congress must establish a supplemental LTC pharmacy supply fee for all Rx drugs subject to Medicare negotiated prices .

- Congress must ensure that Medicare Part D payments for LTC pharmacy services reflect the actual cost of essential and legally required services and must account for cost increases over time.
- Creating a supplemental LTC pharmacy supply fee for all Rx drugs subject to Medicare negotiated prices is a proven and targeted concept will help fix the broken LTC pharmacy payment model and ensure seniors in LTC maintain access to essential services and medications.

KNOW THE FACTS:

LTC PHARMACIES PLAY A UNIQUE ROLE IN CARING FOR SENIORS

LTC pharmacies provide specialized services to patients in long-term care as required by federal law. There is no substitute for the essential services they provide, including: enhanced medication management, consultant services, patient-specific packaging, heightened quality controls, 24/7/365 delivery and more.

LTC PHARMACY BY THE NUMBERS

- 200 million** - approximate annual number of Rx meds LTC pharmacies dispense to Part D patients
- 1,200** - number of LTC pharmacies serving 2 million residents in LTC facilities nationwide
- 13** - average number of Rx medications prescribed to patients in LTC settings
- 75%** - percentage of LTC pharmacy revenues from Medicare Part D
- \$15** - average COST for LTC pharmacy services to dispense one prescription
- \$4** - average Part D Plan PAYMENT to reimburse LTC pharmacy services to dispense one prescription