

United States Senate

WASHINGTON, DC 20510

The Honorable Robert F Kennedy, Jr
Secretary
Department of Health and Human Services
200 Independence Avenue, SW
Washington, DC 20201

The Honorable Mehmet Oz, M.D.
Administrator
Centers for Medicare & Medicaid Services
7500 Security Boulevard
Baltimore, MD 21244

December 11, 2025

Dear Secretary Kennedy and Administrator Oz,

We write to urge you to address the Inflation Reduction Act's, and specifically, the Medicare Drug Price Negotiation Program (MDPN)'s policies for pharmaceutical manufacturers to provide access to negotiated Maximum Fair Prices in Medicare. Maximum Fair Prices for the first ten Part D drugs are scheduled to go into effect on January 1, 2026, but key concerns remain about whether the payment system under development by the Centers for Medicare & Medicaid Services (CMS, the Agency) will be fully operational in time. A system that functions poorly could have significant implications for American seniors' access to prescriptions at community pharmacies across the country.

While CMS staff should be commended for their efforts to support a system for manufacturers to provide access to Maximum Fair Prices, there have been increasing reports of missed deadlines and a lack of responsiveness from the Agency. For example, CMS failed to meet their target deadline of starting claims testing by July 2025, and many pharmaceutical manufacturers have not been receiving responses from the Agency to technical questions submitted to the CMS-designated inbox. CMS has also not been transparent about what efforts it is undertaking to encourage enrollment in the new payment system for dispensers outside of traditional chain pharmacies. These dispensers (for example, independent pharmacies and providers who self-dispense Part D oncology medicines) may need extra outreach and support from the Agency, but it is unclear if CMS is taking additional action to help these dispensers enroll. Further, many pharmacies still do not know their reimbursements from either the Part D plan sponsors and PBMs, nor their refunds from the manufacturers, further creating hesitancy to enroll in the program. While CMS has noted that about 50 percent of pharmacies have currently enrolled, this figure is likely driven by enrollment of large retail pharmacy chains. A September 2025 survey found that only 39 percent of community pharmacies are actually enrolled.¹ If pharmacies and dispensers do not enroll, they will complicate refunds from manufacturers, so it is crucial that CMS continue to engage in outreach and assistance.

A payment system that struggles to function by January 1, 2026, or that fails to reach all Part D drug dispensers, could negatively impact seniors' ability to fill needed prescriptions, particularly at community and rural pharmacies. A September 2025 survey found that nearly 20 percent of independent pharmacies have already decided not to stock one or more of the negotiated drugs, with an additional 67 percent of independent pharmacies considering not stocking at least one negotiated drug due to financial concerns.² Should these decisions remain unchanged, seniors could face significant disruption in accessing medicines.

Under this new payment system, pharmaceutical manufacturers and community pharmacies will communicate with and rely on one another in unprecedented ways. The significant number of changes set to take place at the start of 2026 require very clear standards to be set to ensure pharmacies are in fact made whole, if not by their normal means of reimbursement – Part D plan sponsors or pharmacy benefit managers – then by pharmaceutical manufacturers, which have traditionally not had any direct contact with individual pharmacies. Community pharmacies, particularly independent pharmacies and those in rural areas, are already extremely vulnerable, with hundreds of independent pharmacies having closed over the

¹ NCPA. Report for Medicare Drug Price Negotiation Program and Financial Health of Pharmacy. September 2025. Available at: <https://ncpa.org/sites/default/files/2025-09/Sept-2025-NCPASurvey-MDPNPandFinancialHealth.pdf>

² Ibid.

last several years. CMS should ensure that any changes impacting pharmacies do not place any additional administrative burdens or payment reductions on them.

The Agency's difficulties in preparing the new payment system for January 2026 are all the more concerning given that CMS has a successful model already in place, the Part D Manufacturer Discount Program (previously the Coverage Gap Discount Program), that if used as a template to effectuate IRA policies would have eliminated the complexities of developing a new payment system from scratch and addressed the financial concerns of independent pharmacies related to cash flow.

Additionally, some pharmacy types, especially long-term care pharmacies, are particularly vulnerable under this new payment system due to the high volume of Part D patients who are regularly prescribed drugs that are the first to be part of the MDPN. Long-term care pharmacies serve a vital role in the care continuum of post-acute care for Medicare beneficiaries and are federally required partners for long-term care facilities such as Skilled Nursing Facilities (SNFs). Reimbursement reductions to long-term care pharmacies will cause closures and hours and service area reductions, leaving already vulnerable patients in SNFs, especially those in rural areas, at serious risk of displacement. We urge CMS to take proactive measures to ensure the sustainability of long-term care pharmacies in light of the pending IRA implementation, which is expected to significantly decrease reimbursements for these pharmacies. If CMS waits, it may be too late.

We also urge CMS to improve its responsiveness to stakeholder questions and feedback to increase its transparency in meeting key milestones in its development of a new payment system for 2026, and to ensure sustainability of pharmacies in the midst of significant payment reforms. We understand that implementing a new program takes a tremendous amount of work and appreciate CMS' efforts to ensure that all industries impacted by this law are aware of and prepared for upcoming changes.

Thank you for your attention to this matter, and we look forward to hearing from you.

Sincerely,



James Lankford
United States Senator



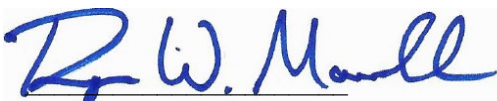
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