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Pharmacy Groups File Lawsuit to Preserve Patient Access to Prescription Medications in Washington State

Devastating Medicaid Reimbursement Cuts for Pharmacies Scheduled for April 1

Olympia, Wash. / Alexandria, Va. – The Washington State Pharmacy Association (WSPA), National Association of Chain Drug Stores (NACDS), and National Community Pharmacists Association (NCPA) joined together in filing a lawsuit this week challenging Washington State’s plan to cut Medicaid reimbursement for brand name drugs to average wholesale prices (AWP) minus 20 percent. WSPA, NACDS and NCPA also filed a motion for a temporary restraining order (TRO) asking a federal court to halt the cuts, which are scheduled to begin tomorrow - April 1. A hearing on the TRO is scheduled for 1:30 p.m. PT today.

The lawsuit was filed in the United States District Court for the Western District of Washington against Governor Christine Gregoire; Interim Secretary of Washington State Department of Social and Health Services Stan Marshburn; and the Washington State Department of Social and Health Services.

The lawsuit argues that the state is departing from federal rules by ignoring the negative impact that the reimbursement cuts will have on patient access to quality care. The lawsuit maintains that the state failed to comply with the requirements of several state laws regarding the proper methods and standards for implementing Medicaid reimbursement cuts.

WSPA, NACDS, and NCPA estimate that the scheduled cuts could force 72 pharmacies serving more than 430,000 Washingtonian patients to choose between losing money to provide medications and services to their patients on Medicaid, and closing their doors. These 72 pharmacies serve an estimated 6,000 patients each and fill more than 66,300 prescriptions annually.

“In these times of economic struggle, Washington State’s rate-cutting tactic can hurt the state’s patients enormously,” says WSPA CEO Jeff Rochon, PharmD. “Patients and taxpayers will bear the brunt of the fallout from this decision. We are deeply concerned for the health of our patients.

In underserved rural and urban areas, patients' health is compromised without immediate access to cost-effective, life-saving medicines, ultimately leading to expensive emergency room and doctor's office visits. Not only can patients suffer but the taxpayers pick up the extra costs. We are asking the courts to stop the cuts before people get hurt."

"The state is compromising patient health and pharmacy access in an effort to fight current budget battles and the patients are on the losing side," said NACDS President and CEO Steven C. Anderson, IOM, CAE. "Given current economic conditions, it is not the time to curb access for not only Medicaid beneficiaries, but all patients across the state who rely on their local pharmacy as a convenient and accessible healthcare provider. This misstep could cost patients their ability to access pharmacy services and medications to maintain their own and their family's health and wellness."

"The filing of this lawsuit was necessary, because this is no time to be poking holes in the Medicaid safety net," said NCPA President and Seattle, Washington pharmacy owner Holly Henry, RPh. "Cutting Medicaid reimbursement could lead to pharmacies being forced to turn away patients with few other alternatives to maintain their health. Community pharmacies aren't getting rich off Medicaid. They're just trying to serve the needs of all their patients."

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The Washington State Pharmacy Association (WSPA) is a not-for-profit professional organization representing pharmacies, pharmacists and pharmacy technicians practicing in Washington State. The mission of WSPA is to support and advance the practice of pharmacy to ensure that the public receives optimal medication therapy management. For more information about WSPA, visit www.wsparx.org

The National Association of Chain Drug Stores (NACDS) represents traditional drug stores, supermarkets, and mass merchants with pharmacies. Its more than 160 chain member companies include regional chains with a minimum of four stores to national companies. NACDS members also include more than 1,000 suppliers of pharmacy and front-end products, and 85 international members representing 28 countries. Chains operate 39,000 pharmacies, and employ a total of more than 2.5 million employees, including 118,000 pharmacists. They fill more than 2.5 billion prescriptions yearly, and have annual sales of over \$750 billion. For more information about NACDS, visit www.NACDS.org.

The National Community Pharmacists Association, founded in 1898, represents the nation's community pharmacists, including the owners of more than 23,000 pharmacies. The nation's independent pharmacies, independent pharmacy franchises, and independent chains dispense nearly half of the nation's retail prescription medicines. To learn more go to www.ncpanet.org.