

## **DIABETES TEST STRIPS REIMBURSEMENT REDUCTIONS TO INDEPENDENT PHARMACIES WILL NEGATIVELY IMPACT MEDICARE PATIENTS**

### **Survey Results**

**October 2011**

Congress is considering cutting payments to pharmacies and other suppliers for Medicare diabetes test strips. For example, it may require pharmacies to accept a mail order or other low-bid price to participate in the program. However, independent community pharmacies cannot purchase diabetes test strips at the same prices as large chains or mail order pharmacies. The purpose of this survey is to determine the impact of these possible cuts on Medicare patients and community pharmacy owners. Please keep in mind that the June, 2010, average retail single payment amount for diabetes testing supplies was \$37.69, whereas the Round 1 Competitive Bidding Program single payment amount for July, 2010, was \$14.62.

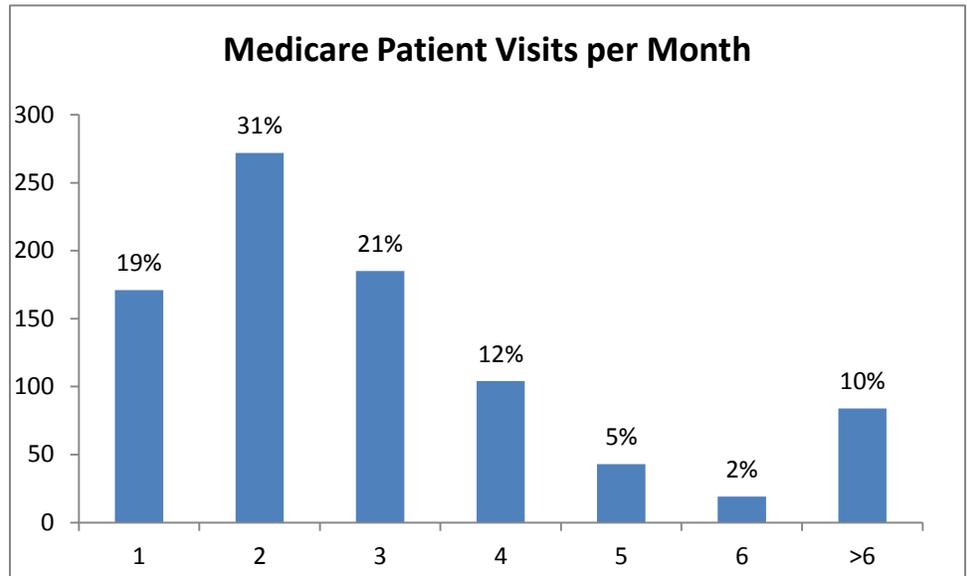
### **RESULTS**

This survey provides important information to policymakers regarding the challenges that over 800 pharmacies say they would have if certain cuts were made to diabetes test strip reimbursements. This survey was conducted between September and October 2011.

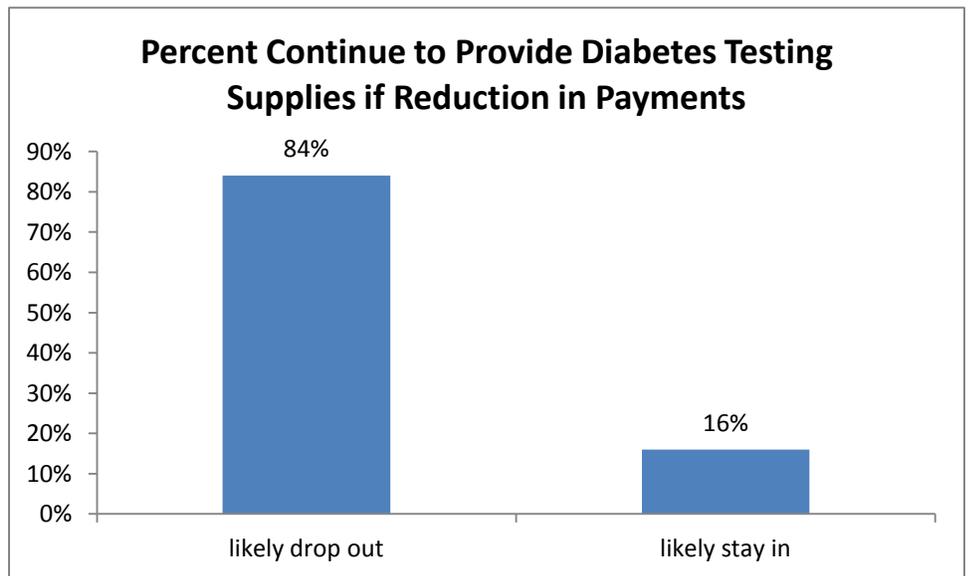
- A potential sharp reduction in payment for diabetes test strips would result in about 84% of independent community pharmacies leaving the program. That means that Medicare patients will not likely be able to obtain their diabetes supplies from small independent pharmacies. This will disproportionately affect Medicare patients in rural and urban areas.
- Pharmacists indicate that, because Medicare patients with diabetes frequently visit their local pharmacies, beneficiaries' health will be adversely affected if they cannot obtain their supplies from community pharmacies. That is because of the face to face counseling and monitoring they will have to forgo if they are forced to mail order.
- CMS is also prohibiting pharmacies from delivering diabetes test supplies to home bound and frail Medicare patients once the national mail order program goes into effect, likely in 2013. This means these patients will be forced to use mail order or travel to another pharmacy, creating inconvenience and possibly delaying necessary blood glucose testing.

**RESULTS OF THE SURVEY**

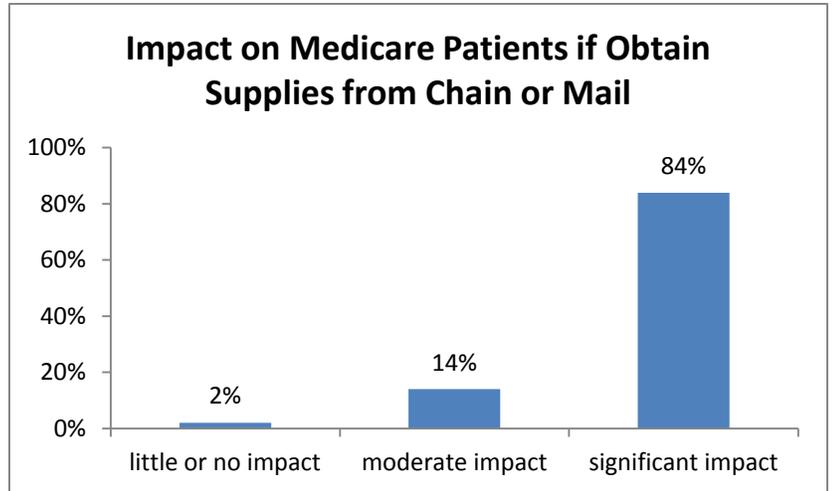
How many times per month does the average Medicare diabetic patient come to your pharmacy for diabetic supplies and/or counseling?



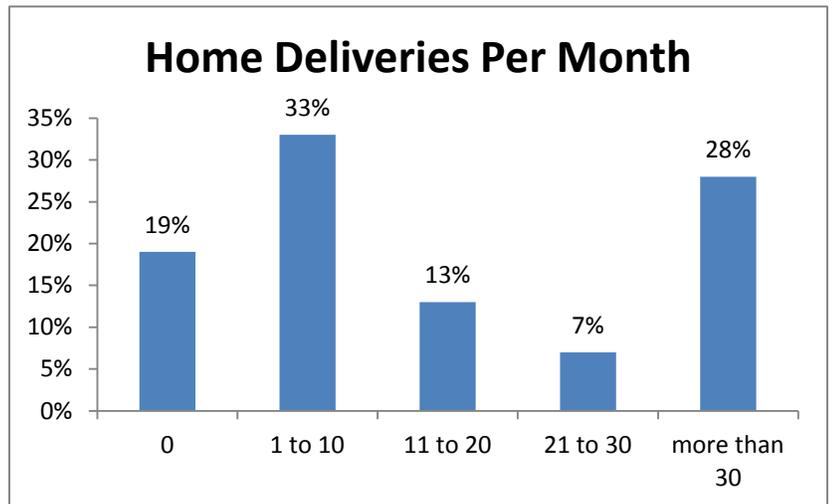
Would you continue to provide Medicare diabetes testing supplies if you are required to either 1) take a reduction in payments for diabetes testing strips, or 2) take a competitively-bid chain or mail order price to continue to provide Medicare diabetes testing supplies?



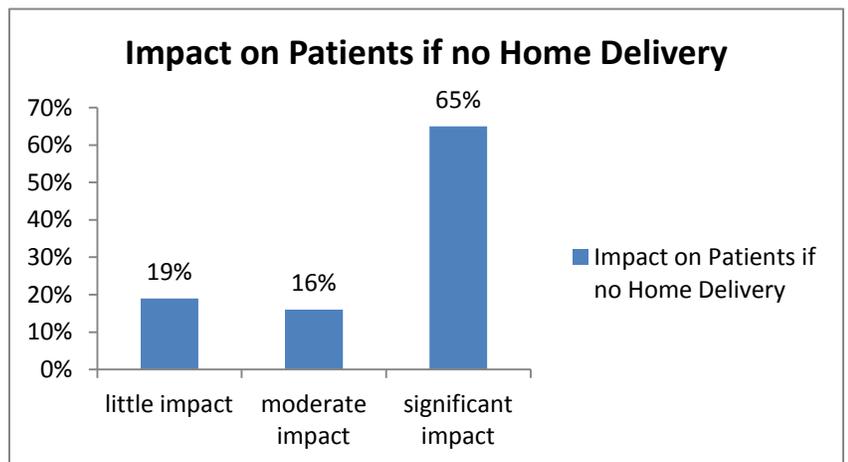
What would the impact be on your Medicare patients if they had to obtain their diabetes supplies from a chain or mail order pharmacy?



How many times per month do you provide home delivery of diabetes testing supplies to homebound Medicare patients? (For example, if you have 20 homebound patients to whom you make two deliveries each per month, the answer would be 40 times per month. Home delivery means you use a car or other vehicle to take them to a beneficiary's home)



What would be the impact on your Medicare diabetic patients if you could not provide home delivery?



## OPEN ENDED RESPONSES

Would you continue to provide Medicare diabetes testing supplies if you are required to either 1) take a reduction in payments for diabetes testing strips, or 2) take a competitively-bid chain or mail order price to continue to provide Medicare diabetes testing supplies?

- *We would be left with no choice but to drop out. We have no purchasing power to obtain pricing that would allow us to be profitable at the new single pay amount of \$14.62.*
- *Like many independents, we really only participate because of the patients, not because of profit. We get most new patients because they are tired of the waste from mail-order (the mail-order places send out everything that they can bill for as soon as they can bill for it).*
- *If required to accept a price that does not pay me for my time and the product- I cannot continue to provide the product or the service.*

What would the impact be on your Medicare patients if they had to obtain their diabetes supplies from a chain or mail order pharmacy?

- *Mail order diabetic companies send the patient more materials than they could hope to ever use. Some patients bring to me boxes and boxes of extra lancets and alcohol pads that they want donated to the free clinic.*
- *Just yesterday, I had a new customer come to me asking if I could supply her diabetic testing supply because she is "fed up with mail order", "can't get her supplies on time", "can't speak to a live person, always gets a recording and they never return the calls", and " the equipment is 'crappy'...the monitor doesn't work and the lancet device shoots a spring out of it when I use it"; This is just ONE example....I can site multiple patients that have horrendous mail order experiences; Clearly, any option other than a local, independent, accredited pharmacy compromises the patients health care.*
- *Our patients are very high need any many are homebound - our driver delivering to them is often the closest thing to a "wellness check" that they get. On more than one occasion our driver has had to summon paramedics to a patient's home.*
- *I spend long hours in educating these patients and in achieving their goals and objectives be it diabetes, hypertension, lipids or other chronic diseases. Their health care will be impacted. There is no way mail order does what I do for these patients. Eventually, these patients will end up in hospitals or ERs costing more to the system.*

What would be the impact on your Medicare diabetic patients if you could not home delivery?

- *We have a large elderly population and are in a rural area in Minnesota -especially in the winter during storms, many of our customers cannot leave their home and rely on our home delivery service*
- *Due to my patient's disabilities, they need not only delivery, but consultation in order to achieve compliance.*
- *They will be unable to follow up in maintaining their goals. The risk of having complications will increase and the cost will skyrocket. We live in Florida and the high temperatures almost year round are not conducive for products*