



NATIONAL ASSOCIATION OF
CHAIN DRUG STORES



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Community Pharmacy Takes Medicaid Access Issues to Capitol Hill

*More than 70 industry representatives from NACDS, FMI, NCPA speak with one voice
on community pharmacy issues*

Alexandria, VA – More than 70 pharmacy executives and representatives from pharmacy companies across the country are visiting with Members of Congress today to advocate on behalf of community pharmacy. The “fly-in” is a collaborative industry effort among the National Association of Chain Drug Stores (NACDS), the Food Marketing Institute (FMI) and the National Community Pharmacists Association (NCPA) to address Medicaid access issues, including average manufacturer price (AMP) and implementation of a new tamper-proof prescription paper requirement for Medicaid prescriptions.

The primary topic in the meetings with Members of Congress will be the final rule issued by the Centers for Medicare & Medicaid Services (CMS) on Medicaid Prescription Drug Reimbursement. The rule establishes average manufacturer price, or AMP, as the basis for the calculation of Medicaid payments to pharmacies for “multiple source” (primarily generic) prescription medications.

The policy is scheduled to take effect in January 2008, triggering \$8 billion in cuts from Medicaid pharmacy reimbursement for generic drugs, requiring pharmacies to sell some drugs at a loss. If pharmacies have to absorb these deep cuts, it could force them to alter the way they care for not only Medicaid patients, but all their patients. The Associations hope to push awareness and encourage the House to pass the Saving Our Community Pharmacies Act of 2007 (H.R. 3140) and for the Senate to pass the Fair Medicaid Drug Payment Act of 2007 (S.1951). Both of these bills offer solutions that would prevent pharmacies from running the risk of altering patient care.

In addition, the unreasonable October 1, 2007, implementation date requiring that all Medicaid prescriptions be written on tamper-resistant prescription paper is quickly approaching. This provision, which was slipped into the Iraq War supplemental appropriations bill, does not allow sufficient time for physicians to be notified of the new requirement and obtain these prescription pads. If a prescription is not written on tamper-resistant paper, the new law puts the pharmacist in the position of potentially having to deny prescriptions to Medicaid patients.

“Now is crunch time for the American pharmacy and the patients they serve,” said Steven C. Anderson, IOM, CAE, NACDS president and CEO. “These policies are not a result of a pharmacist’s work but rather a lack of understanding of their work. With the aid of our active members, we are hopeful that we can maintain momentum for H.R. 3140 and S.1951, mitigate the negative impacts on pharmacies, and continue providing the access to healthcare services and prescription drugs that patients expect and trust.”

“Millions of Americans depend on supermarket pharmacies for medicines and dietary guidance that promote health and well-being,” said FMI President and CEO Tim Hammonds, noting that FMI members operate more than 19,000 pharmacies. “The government should not put community pharmacies in a position where inadequate reimbursements force them to choose between keeping their doors open or denying benefits to their Medicaid patients. We need immediate corrective action. Community pharmacies deliver needed medications to Medicaid beneficiaries for the government, and this critical program cannot survive without them.”

“Pharmacists, who are also constituents of Senate and House leaders, came to Capitol Hill this week to warn that America is on the precipice of a health care crisis if the disastrous Medicaid reimbursement rule isn’t fixed,” said Bruce Roberts, RPh, NCPA executive vice president and CEO. “We need the House to pass H.R. 3140 and the Senate to pass S.1951, which both address the issue, so they can be reconciled and signed into law before the year ends. Otherwise, starting on January 30, pharmacists will start receiving these severe reimbursement cuts and their patients will bear the brunt of the impact as their access to prescription drugs is endangered.”

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The National Association of Chain Drug Stores (NACDS) represents the nation’s leading retail chain pharmacies and suppliers, helping them better meet the changing needs of their patients and customers. Chain pharmacies operate more than 39,000 pharmacies, employ 114,000 pharmacists, fill more than 2.4 billion prescriptions yearly, and have annual sales of over \$700 billion. Other members include almost 1,000 suppliers of products and services to the chain drug industry. NACDS international membership has grown to include 104 members from 29 countries. For more information about NACDS, visit www.nacds.org.

Food Marketing Institute (FMI) conducts programs in research, education, industry relations and public affairs on behalf of its 1,500 member companies - food retailers and wholesalers — in the United States and around the world. FMI’s U.S. members operate approximately 26,000 retail food stores with a combined annual sales volume of \$680 billion — three-quarters of all retail food store sales in the United States. FMI’s retail membership is composed of large multi-store chains, regional firms and independent supermarkets. Its international membership includes 200 companies from 50 countries.

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.