



House Committee Chairmen Backing NCPA

By Bruce Roberts, RPh

An important part of gaining passage of legislation is rounding a tipping point of cosponsors—members of Congress who officially sign up as supporters. Another part of that strategy is securing the backing of influential lawmakers; those who by their stature and power can attract support to a bill just by becoming cosponsors.

As a group, committee chairmen are the most influential representatives and senators in Congress. NCPA is proud that as of early May not only did our business rights negotiations legislation (H.R.971) have more than 125 cosponsors, seven of them were committee chairmen.

One is Rep. John Conyers Jr. (D-Mich.) of the Judiciary Committee—the first stop for the bill—which would neuter the PBMs' take-it-or-leave-it contracts. Other chairmen on board are Bob Filner (D-Calif.), Veterans' Affairs; Bart Gordon (D-Tenn.), Science and Technology; Ike Skelton, Armed Services; Louise McIntosh Slaughter (D-N.Y.), Rules; John M. Spratt Jr. (D-S.C.), Budget; and Silvestre Reyes (D-Texas), Intelligence.

A second NCPA legislative priority also is gaining traction on Capitol Hill. H.R.1474, the Fair and Speedy Treatment (FAST) of Medicare Prescription Drug Claims Act, has attracted some 80 bipartisan cosponsors so far. Among them are four committee chairmen: Reps. Barney Frank (D-Mass.), Financial Services; Bennie G. Thompson (D-Miss.), Homeland Security; Skelton; and Reyes.

NCPA's third priority in the 110th Congress is a legislative remedy to the Medicaid generic drug reimbursement model required by the Deficit Reduction Act (DRA) to take effect July 1. There were many misgivings about numerous features of the DRA before it was enacted. That was evident by the tightness of the votes: 51-50 in the Senate with Vice President Dick Cheney casting the tie-breaker, and 216-214 in the House.

Since then, more than 130 lawmakers have publicly

expressed their doubts to the Centers for Medicare & Medicaid Services (CMS) about its rule to implement the DRA provisions making Average Manufacturers Price (AMP) the new basis for the Medicaid Federal Upper Limit (FUL) on multi-source, generic prescription drugs. The new FUL is calculated at 250 percent of the lowest AMP for therapeutically equivalent medicines.

A report released in January by the Government Accountability Office, the official watchdog for Congress, found that the new AMP-based FUL would fall, on average, 36 percent below pharmacy acquisition costs.

By making generic medications unprofitable, AMP creates a perverse incentive to dispense more expensive brand name prescriptions, which will balloon Medicaid costs. Brand name drugs average \$155.98, while the average generic costs just \$21.92. Any decrease in generic drug utilization will cost Medicaid millions of dollars.

Cutting reimbursement to below cost also will force pharmacies from state Medicaid networks. This will result in a loss of access to prescription care, which will drive up Medicaid costs due to increased doctor visits, emergency room treatments, and long-term care costs.

That's why NCPA is working on legislation that would define the benchmark for reimbursement so it accurately reflects pharmacy acquisition costs and include provisions to drive generic utilization through increased dispensing fees for generics. **ap**

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