



NATIONAL ASSOCIATION OF
CHAIN DRUG STORES



TO: Senators and Representatives on the Senate Finance Committee and House Energy and Commerce Committee, and Co-Sponsors of Medicaid Pharmacy Payment Legislation (S. 1951, H.R. 3700 and H.R. 3140)

November 7, 2007

We are writing to share news regarding the work of the National Community Pharmacists Association (NCPA) and the National Association of Chain Drug Stores (NACDS) to prevent anticipated negative effects on your constituents, on the health care system and on community pharmacy related to the Medicaid pharmacy reimbursement cuts scheduled for January 2008.

On Wednesday, November 7, we filed a lawsuit to block the final rule of the Centers for Medicare and Medicaid Services (CMS), which purported to implement provisions of a new law that changes pharmacy reimbursement in Medicaid. Attached is our complete statement on this issue.

We wanted to be in touch with you immediately to emphasize an important point: this lawsuit was necessary at this time given the impending crisis on January 2008, but legislative action this year remains necessary to sufficiently remedy this problem. Only new legislation can eliminate the severe damage to community pharmacies and their patients caused by this new reimbursement method. Action by Congress is the only long-term solution.

We thank for their leadership the bipartisan sponsors and co-sponsors of legislation to provide the necessary legislative solution: Senate Finance Committee Chairman Max Baucus (S. 1951), House of Representatives Energy and Commerce Subcommittee on Health Chairman Frank Pallone (H.R. 3700), and Rep. Nancy Boyda (H.R. 3140).

We and our members are redoubling our efforts to communicate the necessity of legislative action before year's end. That is part of the reason we are writing to you today. That also is why you will continue to hear from our members, your constituents, and why you will be seeing new ads in the publications read by you and your staff that highlight the need for action.

Together, we must secure enactment of legislation to maintain for low-income patients access and affordability to life-enhancing and life-saving medications. No business should be expected to sell medications 36 percent below cost – the situation that our members will face in January with regard to generic drugs, according to the Government Accountability Office. We cannot risk the potential that patients will not receive the medications they need, as this creates unacceptable human costs and higher health care costs in the form of emergency room visits and other catastrophic care.

We look forward to working with Congress to secure a legislative solution this year for the unacceptable Medicaid pharmacy reimbursement cuts scheduled for January 2008.

Sincerely,

Bruce Roberts, R.Ph.
Executive Vice President
National Community Pharmacists Association

Steven C. Anderson, IOM, CAE
President and Chief Executive Officer
National Association of Chain Drug Stores