

PRESCRIPTION FOR DISASTER

Medicaid Patients in Danger of Losing Access to Pharmacy Care.

Attention:

Rep. Virginia Fox
Sen. Richard Burr
Sen. Elizabeth Dole

The Do's and Don'ts for Achieving Medicaid Savings:

- DO encourage Medicaid saving by actively engaging pharmacists to provide low-cost generic drugs. Currently, only 52% of Medicaid dispensing is generic, yet states that employ best practices have reached 60 percent. For every one percent moved from brand to generic Medicaid will realize \$475 million in savings.
- DO create a reimbursement benchmark that reflects pharmacies' costs of purchasing or dispensing medicines — use a real market price. Community pharmacies will not be able to continue to serve Medicaid patients if they are forced to dispense prescriptions at a loss.
- DO create new incentives for community pharmacies to dispense generics. The average generic prescription is \$21, while the average brand prescription is \$115. Congress must ensure any proposal does not undermine generic utilization or instead of achieving the desired savings, Medicaid costs will continue to increase.
- DON'T use the proposed Average Manufacturers Price (AMP) as benchmark for Medicaid prescription drug reimbursement. The AMP calculation is based on out-of-date pricing data. It represents manufacturers' costs, not actual purchasing costs for community pharmacies.
- DON'T adopt this AMP benchmark because it is not a true market price. It is not reflective of the price independent pharmacies pay for medicines. It includes prices charged to mail order vendors as well as discounts and rebates provided to other purchasers that are not available to community pharmacies.
- DON'T risk putting community pharmacies out of the Medicaid business and reducing access to the vital front line relationship between patients and pharmacists, especially in small towns and inner city neighborhoods. Medicaid patients will lose access to the medicines they need if their community pharmacist is forced out of Medicaid.



There is a Better Way to Achieve Medicaid System Savings.

The deep cuts under consideration for Medicaid reimbursement would be balanced on the backs of community pharmacists in every State. This misguided plan would have the effect of forcing many small town and city pharmacies out of Medicaid dispensing, rather than losing money on every prescription. Medicaid prescriptions are for the sickest and poorest and the disabled — our country's most vulnerable population. They do not deserve to lose access to the community pharmacists they know and trust because Congress adopts a flawed plan. Please work with community pharmacy to achieve more generic utilization and ultimately more Medicaid savings.

This Important Announcement Has Been Sponsored By The Following Independent Community Pharmacies:

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