

FOR IMMEDIATE RELEASE
January 10, 2011

Contacts: Chrissy Kopple, NACDS
(703) 837-4266

Kevin Schweers, NCPA
(703) 838-2682

NACDS, NCPA Commend Sens. Conrad, Snowe for Letter Raising Bipartisan Concerns over Flawed Medicaid Pharmacy Reimbursement Process

Adequate Reimbursement Needed to Preserve Pharmacy Patient Care That Improves Health, Reduces Costs

Alexandria, Va. – The [National Association of Chain Drug Stores](http://www.nacds.org/) (NACDS) (<http://www.nacds.org/>) and [National Community Pharmacists Association](http://www.ncpanet.org/) (NCPA) (<http://www.ncpanet.org/>) commended U.S. Senators Kent Conrad (D-ND) and Olympia Snowe (R-ME) and 12 of their colleagues for a bipartisan [effort](http://www.nacds.org/user-assets/pdfs/2012/newsrelease/1_10_SenateAMPDearColleague.pdf) (www.nacds.org/user-assets/pdfs/2012/newsrelease/1_10_SenateAMPDearColleague.pdf) to express serious concerns with draft Federal Upper Limits (FUL) lists for Medicaid generic drug reimbursement that have been recently published by the Centers for Medicare & Medicaid Services (CMS).

"In publishing three draft lists of Medicaid drug FULs, CMS has provided states with a potential unofficial standard for setting state maximum allowable costs (MACs). Specifically, pharmacists believe that if states were to implement MACs based on the CMS's draft FUL lists, pharmacies could see reduced reimbursement for selected generic drugs in the range of 30% to 60% of acquisition costs. Cuts of this magnitude could create a disincentive to dispense generic drugs, which is exactly the opposite of what we should be trying to achieve as we seek to control health care costs," the Senators wrote in a letter to CMS.

Fourteen Senators signed the letter to CMS: Senators Daniel Akaka (D-AK), Michael Bennet (D-CO), Roy Blunt (R-MO), Bob Casey (D-PA), Thad Cochran (R-MS), Kent Conrad (D-ND), John Hoeven (R-ND), Tim Johnson (D-SD), Amy Klobuchar (D-MN), Pat Leahy (D-VT), Olympia Snowe (R-ME), Debbie Stabenow (D-MI), Jon Tester (D-MT) and Roger Wicker (R-MS).

NACDS and NCPA have also [expressed](http://www.nacds.org/wmspage.cfm?parm1=7253) (<http://www.nacds.org/wmspage.cfm?parm1=7253>) concern with the draft FUL lists in written [comments](http://www.ncpanet.org/pdf/leg/nov11/cmsfulletternov.pdf) (www.ncpanet.org/pdf/leg/nov11/cmsfulletternov.pdf) to CMS. "We are pleased that our arguments have been given further credibility by a large, bipartisan group of Senators," stated NACDS President and Chief Executive Officer Steven C. Anderson, IOM, CAE and NCPA CEO B. Douglas Hoey, RPh, MBA. "We want to especially thank Senators Conrad and Snowe for their leadership on this important issue."

In addition to urging CMS to cease publication of draft FUL lists until a final AMP rule is in place, the Senators also urged the agency to be mindful of comprehensive pharmacy reimbursement.

“When setting pharmacy reimbursement rates, it is important that both components of reimbursement -- product cost and cost to dispense -- be taken into consideration to ensure pharmacies are adequately paid,” the Senators wrote.

Last month, a similar bipartisan [letter](http://www.nacds.org/wmspage.cfm?parm1=7284) (<http://www.nacds.org/wmspage.cfm?parm1=7284>) was sent to CMS by 40 U.S. Representatives raising concerns over the flawed Medicaid pharmacy reimbursement process.

The Senate letter can be viewed [here](http://www.nacds.org/user-assets/pdfs/2012/newsrelease/1_10_SenateAMPDearColleague.pdf). (www.nacds.org/user-assets/pdfs/2012/newsrelease/1_10_SenateAMPDearColleague.pdf)

###

The National Association of Chain Drug Stores (NACDS) represents traditional drug stores, supermarkets, and mass merchants with pharmacies – from regional chains with four stores to national companies. Chains operate more than 40,000 pharmacies and employ more than 3.5 million employees, including 130,000 pharmacists. They fill over 2.6 billion prescriptions annually, which is more than 72 percent of annual prescriptions in the United States. The total economic impact of all retail stores with pharmacies transcends their \$900 billion in annual sales. Every \$1 spent in these stores creates a ripple effect of \$1.81 in other industries, for a total economic impact of \$1.76 trillion, equal to 12 percent of GDP. For more information about NACDS, visit www.NACDS.org.

The National Community Pharmacists Association (NCPA®) represents the interests of America's community pharmacists, including the owners of more than 23,000 independent community pharmacies. Together they represent a \$93 billion health care marketplace, dispense nearly 40% of all retail prescriptions, and employ more than 315,000 people, including 62,400 pharmacists. Independent community pharmacists are readily accessible medication experts who can help lower health care spending. They are committed to maximizing the appropriate use of lower-cost generic drugs and reducing the estimated \$290 billion that is wasted annually by improper medication use. To learn more go to www.ncpanet.org or read NCPA's blog, The Dose, at <http://ncpanet.wordpress.com>.