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NACDS, NCPA: California Medicaid Cuts Will Force Reduction of Patients' Access to Pharmacy Services, Prescription Drugs

ALEXANDRIA, Va. (Oct. 28, 2011) – Today National Association of Chain Drug Stores (NACDS) President and CEO Steven C. Anderson, IOM, CAE and [National Community Pharmacists Association](#) (NCPA) CEO B. Douglas Hoey, RPh, MBA issued the following statement in response to the U.S. Department of Health and Human Services' (HHS) approval of California's devastating state Medicaid cuts to pharmacists and other health care providers serving the low-income recipients of the program, also known as Medi-Cal:

“We are extremely disappointed with the unconscionable Medi-Cal reimbursement cuts proposed by the state and approved by HHS. If left in place, we believe that these reductions would greatly harm millions of Californians by effectively reducing their access to community pharmacies and the health care system as a whole. The impact in terms of compromised health outcomes for patients or delayed access to needed services could be significant.

“These cuts alarm community pharmacists and have [long been opposed by NACDS and NCPA](#) for three critical reasons. First, community pharmacists provide expert medication advice and promote cost-saving generic drugs. Now patient access will likely suffer as many pharmacies may be forced to cease filling prescriptions and providing counseling to these patients for fear of jeopardizing their pharmacy's financial viability.

“Second, we believe that the Medi-Cal cuts will mean fewer jobs and local tax revenue at the worst possible time for the state's economy. Pharmacy reimbursement by public and private health plans has already been declining for many years. These cuts could be the tipping point that forces community pharmacies to scale back operating hours, employee hours, or to close altogether.

“Third, these short-sighted cuts could very well backfire and ultimately increase costs for California and the federal government. Pharmacy services are arguably the best value in health care. As a result of the diminished pharmacy access these cuts will trigger, patients will likely either endure greater and costlier health problems or have to turn to more expensive providers such as emergency rooms for the medication and counseling they need.

“In addition, it is surprising and disappointing that the federal and state officials involved have acted with such disregard to the judicial system, with a [related case](#) pending before the U.S. Supreme Court. No one should presume the outcome of the case of *Douglas v. Independent Living Center of California and the federal review of California's proposed cuts should never have been concluded while the case is active.*

“Community pharmacists can work with states to [reduce health care costs](#) by eliminating needless medical expenses and increasing appropriate generic drug use. As state and federal health care officials begin to realize the consequences of these actions, it is our hope that they will go back to the drawing board to develop a more practical budget approach.”

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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 39,000 pharmacies, and employ more than 2.7 million employees, including 118,000 full-time pharmacists. They fill nearly 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 \$830 billion in annual sales. Every \$1 spent in these stores creates a ripple effect of \$1.96 in other industries, for a total economic impact of \$1.57 trillion, equal to 11 percent of GDP. NACDS represents 137 chains that operate these pharmacies in neighborhoods across America, and NACDS members also include more than 900 pharmacy and consumer packaged goods suppliers and service providers, and over 60 international members from 23 countries. 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 over 37% 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>.