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Senate Passes Bill with NACDS-backed Extension of Increased Funding to State Medicaid Programs

NACDS also hawks new “AMP” provision to ensure no further hit to community pharmacy

Alexandria, Va. – By a vote of 61-39 today, the U.S. Senate passed a funding measure that includes a six-month extension of the enhanced federal funding level for state Medicaid programs. The National Association of Chain Drug Stores (NACDS) has advocated for this continuation of the higher federal medical assistance percentage (FMAP), which was raised temporarily as a provision of the American Recovery and Reinvestment Act enacted in 2009.

The House of Representatives plans to suspend its August district work period to reconvene in Washington, D.C. next week to vote on the measure. The House and Senate must pass the legislation in identical form before it can be sent to President Obama for signature and enactment. Today’s Senate vote, and the plans for House action, follow on the heels of the Senate’s 61-38 vote on Wednesday to invoke cloture, ending debate and moving forward with consideration of the legislation. That procedural vote was pivotal, as 60 votes were needed to invoke cloture.

“This enhanced federal funding of state Medicaid programs is important for the prevention of additional cuts to pharmacy services and pharmacy access at the state level,” said NACDS President and Chief Executive Officer Steven C. Anderson, IOM, CAE. “Pharmacy access is vital to helping patients take their medications correctly, which is essential for maintaining patient health and preventing dramatic increases in long-term healthcare costs, particularly in the treatment of chronic disease.”

NACDS notes the New England Healthcare Institute’s estimate that the costs of poor medication adherence, which refers to whether patients take their medications correctly, reach \$290 billion annually, or 13 percent of all healthcare expenditures.

While advocating for the continuation of the enhanced FMAP level, NACDS also engaged in voicing pharmacy’s position on a provision of the funding bill that would alter the definition of “average manufacturer price” (AMP) that was included in the new healthcare reform law. The provision was inserted to help pay for aspects of the funding bill.

NACDS has been advised that the AMP change is not intended to impact Medicaid community pharmacy reimbursement.

“Since the enactment of the new healthcare reform law, NACDS has emphasized the importance of maintaining a proactive stance for pharmacy as the Executive Branch implements the law, as well as during any follow-up legislation. Ensuring that this definitional change does not impact pharmacy patient care will be a focus of NACDS’ continued vigilance on these issues,” Anderson said.

More information about the importance of pharmacy's role as the face of neighborhood healthcare and in fostering medication adherence is available in a newly released NACDS paper, titled "Pharmacies: Improving Health, Reducing Costs," which is available at NACDS.org.

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The National Association of Chain Drug Stores (NACDS) represents 154 traditional drug stores, supermarkets, and mass merchants with pharmacies – from regional chains with four stores to national companies. NACDS members also include more than 900 pharmacy and front-end suppliers, and over 70 international members from 24 countries. Chains operate 37,000 pharmacies, and employ more than 2.5 million employees, including 118,000 full-time pharmacists. They fill more than 2.5 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 \$815 billion in annual sales. Every \$1 spent in these stores creates a ripple effect of \$3.82 in other industries, for a total economic impact of \$3.11 trillion, equal to 26 percent of GDP. For more information about NACDS, visit www.NACDS.org.

Pharmacies. The face of neighborhood healthcare.