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Contact: Chrissy Kopple

(703) 837-4266

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

Provision Considered Helpful to Prevent Further Cuts to Pharmacy Patient Services

Alexandria, Va. – Returning to Washington during what is typically the traditional August district work period, the U.S. House of Representatives passed a funding measure today 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.

“This enhanced federal funding of state Medicaid programs is important to help prevent additional cuts to pharmacy services and pharmacy access at the state level,” said NACDS President and Chief Executive Officer Steven C. Anderson, IOM, CAE. “Anything that hinders pharmacy access is counterproductive, because when patients do not take their medications correctly health suffers and long-term healthcare costs rise.”

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.

The enhanced FMAP is scheduled to expire at the end of 2010 without Congressional action. NACDS has been highly engaged on this issue at the federal level, complementing its state government affairs work, in conjunction with state pharmacy and retail associations and national association partners.

Today’s House passage follows Senate passage of the funding bill last week. The bill will now proceed to President Obama for enactment.

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The National Association of Chain Drug Stores (NACDS) represents 140 companies - 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 nearly 70 international members from 22 countries. 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. For more information about NACDS, visit www.NACDS.org.

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