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## **NACDS Endorses Bipartisan Senate Legislation to Increase Utilization of Generic Medications for Medicaid Patients**

### ***Also emphasizes importance of pharmacy services in improving health, reducing healthcare costs across the board***

**Alexandria, Va.** – The National Association of Chain Drug Stores (NACDS) endorsed bipartisan legislation that would incentivize states to utilize generic medications for Medicaid patients to achieve cost-savings. NACDS emphasizes that community pharmacy has the best track record when it comes to fostering generic utilization, and that the full array of pharmacy services are vital for improving patient health and reducing healthcare costs across the board.

The association sent a [letter](#) of support to the sponsor of the Affordable Medicines Utilization Act of 2011 (S. 1536), U.S. Senator Scott Brown (D-MA), as well as co-sponsors of the legislation, Ron Wyden (D-OR) and John McCain (R-AZ). The bill would provide states 50 percent of the share of generated savings in cases where a state has an increase in generic utilization rate for fiscal years 2012, 2013 and 2014.

“Pharmacies have long promoted generic drugs as safe, cost-effective alternatives for many patients. Substituting generic pharmaceuticals for their brand-name equivalents or other brand name drugs within the same drug classes is a cost-effective way of achieving Medicaid savings.

“We believe that there are many best practices that could be put in place to reduce Medicaid spending, while at the same time allowing Medicaid patients to continue to use the pharmacy of their choice. Medicaid programs generally have a good generic dispensing rate, but greater savings could be achieved by encouraging or mandating more aggressive prescribing of generic drugs.

“The Affordable Medicines Utilization Act of 2011 will provide incentives that will encourage state programs to efficiently use their healthcare dollars through increased use of more cost-efficient generic drugs while at the same time generating savings for not only the state but for the patient as well,” NACDS stated in its letter.

While NACDS emphasizes the important role of generic utilization in controlling healthcare costs, and community pharmacy’s primacy in fostering generic utilization, NACDS cautions against evaluating spending on prescription drugs in a vacuum. NACDS emphasizes that community pharmacy delivers unparalleled value, and that pharmacist-patient interactions help to prevent more costly forms of care in other areas.

To view the text of the letter, please click [here](#).

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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](http://www.NACDS.org).*

***Pharmacies. The face of neighborhood healthcare.***