

## TPA Communications

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**From:** TPA Communications [communications@tnpharm.org]  
**Sent:** Thursday, December 15, 2005 5:50 PM  
**To:** broadcast@tnpharm.org  
**Subject:** Medicaid Action Alert - Contact Your Representatives!

To: TPA Members

The Tennessee Pharmacists Association urges you to take action as recommended in the following Alert from APhA.

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### MEDICAID ACTION ALERT

**Contact your Representative now!**  
**Voice your opposition to unfair cuts to pharmacy reimbursement!**

Lawmakers in the House and Senate are negotiating differences between proposed Medicaid cuts to pharmacy reimbursement for a final budget bill. A vote on the final proposal could occur before Christmas. The time to educate your Congressional delegation about your concerns with these cuts is *now*.

*Use your voice to make a difference.  
Now is not the time to count on others to speak for you, your practice, and your patients.*

#### WHAT'S AT STAKE

Medicaid 'reforms' could mean billions in cuts to pharmacy reimbursement, jeopardizing your ability to continue serving Medicaid patients. You could lose money on every Medicaid prescription and be forced to face the tough question of continuing to serve the Medicaid population. **Pharmacists must reach out to Members of Congress NOW to make them aware of the significant impact the proposed cuts will have on Medicaid patients' ability to access pharmacy services.**

#### TALKING POINTS

- I am disappointed that community pharmacies have been targeted for most of the Medicaid savings even though Medicaid payments retained by pharmacies only represent 2 % of all Medicaid spending. I understand the pressure to save money, but why should pharmacy pay such a disproportionate share?
- The proposed reimbursement formulas could significantly underpay community pharmacies for the prescription drugs and pharmacist services we provide to Medicaid recipients, and will discourage dispensing of generic medications - a source of significant savings to the Medicaid program.
- As a result, I will be forced to consider closing my practice to Medicaid patients - a difficult decision for a health care professional, but an unavoidable one if our practice would lose money on nearly every medication provided.
- At a minimum, Congress must ensure that the proposal includes assurances that state pharmacy reimbursements cover pharmacy costs - a minimum dispensing fee must be established.
- **Please show your support for pharmacy and oppose cuts to pharmacy in the Budget Reconciliation bill.**

## BACKGROUND

- The proposed drug product reimbursement is unlikely to reflect a pharmacy's acquisition cost and therefore may result in losses to pharmacy. **The reimbursement baseline MUST reflect the actual acquisition costs of community pharmacies.**
- The proposals allow States to set dispensing fees, but without Federal guidance. History suggests that States need direction in establishing these fees or will continue to *decrease* fees as they seek ways to balance their budgets. A recent study shows the average dispensing cost per prescription is \$9.62 but the average dispensing fee paid under Medicaid is *less than half that* - \$4.15. **Federally-established minimum dispensing fees MUST cover pharmacy costs and should encourage greater use of generic drugs.**

## NEXT STEPS

At least 23 of our allies in the House have signed onto a letter (see Meaningful Medicaid Reform Coalition's December 9<sup>th</sup> BLOG at <http://meaningfulmedicaidreform.org/blog/> ) urging the Republican leadership to address the pharmacy community's concerns with the House and Senate-passed proposals. Contact your Representative and Senators – by phone or email – to request that they oppose the proposed cuts to pharmacy in the Medicaid reform proposals. If they already have signed the letter addressing pharmacy's concerns, thank them for doing so!

**For Assistance with Contacting Your Representatives**, [APhA members] may go to APhA's Legislative Action Center at <http://www.aphanet.org/GA>. Click on "Grassroots Advocacy", then "Legislative Action Center", and enter your member number. **[Others may visit <http://www.tnpharm.org> and enter your zip code in the "Write Your Legislators" box located below the left-hand menu.]**

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