

Tennessee Pharmacists Association



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October 24, 2007

The Honorable _____
US House of Representatives

Subject: H.R. 3700 Fair Medicaid Drug Payment Act of 2007 to amend the Deficit Reduction Act relative to redefining Average Manufacturer's Price (AMP)

Dear Representative _____:

On behalf of the pharmacists in Tennessee and the Medicaid (TennCare in Tennessee) patients they serve, I am writing to thank you for your support regarding the delay in implementation of the tamper-proof prescription pad requirement for Medicaid patients. This delay allows pharmacists, physicians and the Medicaid program to work together to prevent fraud, without delaying access to pharmacist services. We will continue to work with all interested parties on addressing fraudulent activity without compromising patient care.

I am also writing to ask for your continuing support on an issue that threatens access for Medicaid patients to prescriptions and pharmacist services. This issue is the implementation of the Average Manufacturers Price (AMP) provision for reimbursement of generic prescriptions for Medicaid patients included in the Deficit Reduction Act. Without redefining AMP many community pharmacies will be reimbursed less than their acquisition cost for prescriptions from Medicaid. The Tennessee Pharmacists Association appreciates your support of H.R. 3140 the *Saving Our Community Pharmacies Act* bill introduced by Rep. Boyda as an approach to try to correct this problem.

Another measure, H.R. 3700, has also recently been introduced to address the problem by amending the AMP definition. In September, Energy and Commerce Health Subcommittee Chairman Frank Pallone introduced H.R. 3700, the *Fair Medicaid Drug Payment Act of 2007*. This bipartisan legislation protects Medicaid patients' access to medications by making improvements to the AMP model used for reimbursement on generic medications in Medicaid. I am writing to urge you to cosponsor H.R. 3700 and work for its passage before the end of the year.

Rep. Pallone's bill lays out an incremental change to the AMP pricing benchmark already adopted by congress, rather than changing the benchmark completely as in H.R. 3140. The pharmacy community believes H.R. 3700 has a greater likelihood of advancing through congress. In H.R. 3700 the definition of AMP would be amended to exclude prices from purchasers outside of community pharmacy's retail class of trade. The amendment would also change the definition of multiple-source drugs to ensure two other drug products, rather than one, are on the market before the Federal Upper Limit can be applied. With these changes, community pharmacies will be reimbursed closer to their actual acquisition cost.

Immediate congressional action is needed to ensure Medicaid beneficiaries continue to receive uninterrupted care from their local pharmacy. Pharmacies cannot afford to continue to serve the Medicaid population if they are losing money on every Medicaid prescription they fill. Again, I urge you to cosponsor H.R. 3700 and to work with Chairman Pallone and House leadership to see that this critical bill is enacted before the end of the year.

Sincerely,

Baeteena M. Black, D.Ph.
Executive Director