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CRITICAL LEGISLATION INTRODUCED TO PROTECT COMMUNITY PHARMACIES

Impact of Deficit Reduction Act May Close Pharmacy Doors

Statement by Belle Taylor-McGhee, Executive Director, Pharmacy Access Partnership

Oakland, CA – Communities nationwide could face the strong possibility of losing their local pharmacies, if federal legislation falls by the wayside. Bipartisan legislation recently introduced in the Senate by Sen. Max Baucus (D-MT), the “Fair Medicaid Drug Payment Act of 2007” (S. 1951), contains provisions to protect pharmacy reimbursement rates. The “Saving Our Community Pharmacies Act of 2007” (H.R. 3140), introduced last month in the House by Rep. Nancy Boyda (D-KS), also seeks to ensure pharmacy doors stay open.

S. 1951 and H.R. 3140 are critical pieces of legislation to protect community pharmacies from the debilitating effects of the 2005 Deficit Reduction Act (DRA), which was signed into law in February 2006. The DRA proposes higher prescription drug costs and lower Medicaid reimbursement rates for pharmacies, among other issues. According to a report from the Government Accountability Office in December 2006, the DRA proposes reimbursing pharmacists 36% less than the actual cost to purchase many of Medicaid’s most expensive — and most commonly used — products. Ultimately, these policy changes will have the hardest impact on low-income communities and students, who may no longer be able to obtain contraceptives and other critical prescription products at discounted rates. Additionally, reduced reimbursement rates could have a significant impact on pharmacies’ ability to continue to provide services to low-income clients over the long term.

The drastic cuts proposed in the DRA may ultimately lead pharmacies with a large Medicaid clientele to close their doors completely. States across the country, including California, may see a dwindling number of pharmacies at the community level. This means limited access to essential healthcare services for those who need it the most and for those who use the pharmacy as their primary access point.

Pharmacy Access Partnership supports national and state-level legislative efforts that will help ensure fair reimbursement rates for all providers, particularly those who serve low-income clients. We will continue to monitor the developments of the DRA as relates to pharmacy reimbursement and contraceptive access at the state and national levels and educate consumers about this important issue.

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Pharmacy Access Partnership was established in 1999 as a center of the independent, nonprofit Public Health Institute. Its purpose is to expand consumer access to contraceptive commodities and reproductive health services in pharmacies, and to give pharmacies a stronger role in promoting community health.