

TESTIMONY BEFORE THE  
APPROPRIATIONS COMMITTEE

February 18, 2009

Re: DSS Budget Proposal

Good afternoon Senator Harp and Representative Geragosian. My name is Richard T. Carbray, a pharmacist and owner of Apex Pharmacy in Hamden, Conn. I am also the co-chair of the Legislative Committee of the Conn. Pharmacists Association which represents over 1000 pharmacists in the state of Connecticut.

I am here today to address the proposed reimbursement cuts to pharmacist's fees for providing pharmacy services to the medicaid program which includes Connpace, SAGA, Husky A and B, and traditional medicaid. I have been before this committee on a biannual basis since 1989 which is the last time pharmacy has seen a cost of living fee increase. Over those several years pharmacy reimbursement has been consistently decreased and this current proposal takes a further cut in AWP (average wholesale price), MAC (maximum allowable cost) on generics, and an additional \$ 1.00 decrease in dispensing fee. In addition there is a proposed recipient co-pay recommended which historically has been attempted and retracted as a federal mandate does not allow it to be paid by the recipient if the recipient can not afford to pay the co-pay. It ultimately is absorbed by the pharmacy as an unpaid debt.

Having said that, pharmacy has been at the table during those years working together with DSS to implement several programs to save the state monies through drug utilization review, prior authorization, preferred drug list, and return of drugs from LTC (long term care) facilities. These programs have saved the state millions of dollars over the last five to six years. I can speak personally as a member of the pharmacy and therapeutics committee for the PDL (preferred drug list). The committee is composed of physicians and pharmacists who donate their time to help ensure the state is maximizing its cost savings through rebates from drug manufacturers while ensuring that recipients have effective drug therapies. PDL currently has saved the state 21.8 million dollars in the first two quarters of 2008. Currently only traditional medicaid and Husky A recipients are under the PDL.

It is important to understand that all the savings realized from these programs are not reflected in the drug line item of the medicaid budget. The savings all are applied to the general fund which does not truly reflect the savings pharmacy has accomplished for the department.

I propose there are additional monies to be saved without decreasing pharmacy dispensing fees.

First, have DSS enforce the return of drugs from LTC facilities. There is a state statute that is not being followed. The facilities are mandated to return the unused drugs to the vending pharmacy for credit to the state. Instead most of these medications are being disposed of into our waste system.

Second, expand the PDL to include a larger population of recipients, namely ConnPace, SAGA, and Husky B. Also expand the PDL to include all generic drugs as well as mental health drugs.

Pharmacists are willing and able to assist the state in their efforts to save the state money. The real savings are in proper utilization of medications and maximizing the states ability to decrease its costs of those medications. We urge the committee to not balance the budget on the backs of pharmacy but rather through innovative management of medication costs.

Thank you for your consideration.