

GOVERNOR'S BUDGET TESTIMONY – APPROPRIATIONS COMMITTEE

March 4, 2011

Senator Harp and Representative Walker and members of the Appropriations Committee, my name is Richard T. Carbray, Jr. RPh. the owner of Apex Pharmacy and Home Care Center in Hamden and the co-chair of the Legislative Committee of the Connecticut Pharmacists Association which represents over 1000 pharmacists in the state of Connecticut. I am here today to testify in regards to the proposed decrease in Medicaid reimbursements for pharmacies.

As most of you in the legislature know this issue has been almost a yearly response to budget shortfalls at the state level and pharmacies have consistently been targeted. Reducing the reimbursement to pharmacies has not solved the pharmacy cost of the Medicaid program for the past 20 years. The prescription drug line has increased steadily in the budget for a couple of reasons: (1) increased drug costs and (2) increased drug utilization. There has been significant savings realized through the implementation of the Preferred Drug List (PDL) but unfortunately this savings goes into the general fund and does not truly reflect savings in the prescription drug line item of the budget. In addition, pharmacists have working closely with the Department of Social Services (DSS) to implement additional cost savings through patient counseling, patient compliance and ensuring proper medication management. For this reason, any decrease in reimbursement could reduce services to this patient population which historically has been more fragile and relies on the additional services provided by community pharmacies. These services include special compliance packaging and free home delivery as well as emergency after hour service. At the proposed reimbursement levels the quality of care and access to care will become a problem due to pharmacies being forced to cut staff and decrease hours of operation.

An additional issue in this proposed budget is the re-institution of a Medicaid co-pay of up to \$3 dollars per prescription with a cap of \$20 per month. This co-pay is not mandated to be paid by the beneficiary and if the patient cannot afford to pay the pharmacist can not refuse to fill the medication. This now becomes an additional decrease in reimbursement to the pharmacies as an uncollected receivable. This provision has been proposed in previous years and repealed for the above reasons.

In summary, pharmacists have contributed significantly over the years in reimbursement cuts and provided several cost saving measures to help minimize the increased drug costs and utilization to the program. I urge legislators to reconsider this reimbursement decrease and suggest meetings with the Connecticut Pharmacists Association, DSS and the administration to find alternative ways to reduce drug costs and utilization. The Connecticut Pharmacists Association is ready and able to assist them in this matter.

Thank you for your consideration.

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