



State of Connecticut

HOUSE OF REPRESENTATIVES STATE CAPITOL

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Human Services Committee Public Hearing 03/13/2012

Testimony in support of SB392, AN ACT CONCERNING PHARMACY MEDICAID REIMBURSEMENT

Good Afternoon Chairmen Musto and Tercyak, Ranking Members Markley and Gibbons and members of the Human Services Committee.

I am here to testify in support of SB 392.

SB 392 provides increased reimbursements to local pharmacies that provide prescriptions to clients under the medical assistance programs administered by the Department of Social Services.

Last year PA 11-44, had a devastating effect on local pharmacies by drastically reducing their drug and dispensing fee reimbursements from the Department of Social Services. It decreased the brand name drug reimbursement rate from average wholesale price minus fourteen percent to average wholesale price minus sixteen per cent and cut dispensing fees from \$2.90 to \$2.00. (This resulted in \$64.8 Million in FY 12 and 71.2M in FY 13)

In addition, local pharmacies were hurt by the SEBAC provision requiring mail orders for all maintenance drugs for state employees, their families and retirees.

It is my understanding this bill would offer some relief to the local independent pharmacies by increasing their drug reimbursement rate to what it was before PA 11-44 (average wholesale price minus 14%) and increases their dispensing fee from \$2.00 to \$4.00. The dispensing fee would be \$1.10 higher than they were prior to PA 11-44.

PA 11-44 put over 1200 small Mom & Pop pharmacies at a huge disadvantage and took away the choice of consumers. I'm hopeful this legislation will work toward restoring fairness to these small business owners and their customers.

Sincerely,
Rep. Brenda L. Kupchick 132nd District