

CONNECTICUT ASSOCIATION OF COMMUNITY PHARMACIES, INC.

NOME ASSOCIATES

195 FARMINGTON AVENUE, SUITE 200
FARMINGTON, CT 06032
PHONE 860.677.5889
FAX 860.677.5961

**Testimony Before Human Services Committee
HB 6367 AA Implementing the Governor's Budget Recommendations for Human Service
Programs
In Opposition To Medicaid Pharmacy Reimbursement Cuts**

Senator Harp, Representative Walker and members of the Appropriations Committee. My name is Carrie Rand-Anastasiades and I am the Executive Director of the CT Association of Community Pharmacies. We are an Association representing large pharmacies such as Walgreens, Rite-Aid, Stop & Shop and Big Y to name a few.

Connecticut Medicaid is currently considering additional cuts to its Medicaid program, including cuts to pharmacy reimbursement. Because CT is experiencing continuous pressure from the current economic downturn, you are forced to find ways to cut costs and minimize budget shortfalls. The affect the proposed cuts could have on pharmacies and the quality of care patients receive should remain an important factor before these cuts are implemented. **It is also important to keep in mind that CT pharmacies have had cuts in reimbursement continually over the last five years, including a thirty cent cut to the dispensing fee in the deficit mitigation package recently adopted in December.**

Over the past five years reimbursement cuts included significant decreases in pharmacy reimbursement for brand name drugs as well as decreases in the dispensing fee paid to pharmacies. Five years ago the reimbursement for CT pharmacies was AWP-14% plus \$3.15 in dispensing fee. The current AWP is -16%, and the dispensing fee is \$1.70. The Governor's new budget proposes to further reduce pharmacy dispensing fees by an additional \$.30. These cuts would be devastating to community retail pharmacies who are still trying to adjust to the cut they just received in December. Because the margin is so low in a community retail pharmacy (2% on average), we do not want companies to be in the position of making a choice as to whether is it financially feasible to service the Medicaid population or, they may be forced to reduce their workforces, store hours, and courtesy in-store services. Some could even be forced to close. We strongly urge the Connecticut Legislature to reconsider the proposed cuts that will have a negative impact on community pharmacies in Connecticut.

We applaud the Governor's proposal to do a Step Therapy Program in the Budget which would expand the use of generics. This type of program saves much more money (\$15 million) in a single shot than cutting pharmacies (\$2 million) over and over again. The savings are in the cost of the drugs.

We urge you not to cut the Medicaid pharmacy dispensing fee and look closely at the step therapy program in the budget for greater savings.

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THE STOP & SHOP SUPERMARKET COMPANY •
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