

Connecticut General Assembly

Raised Bill #5333: An Act Concerning the Return of Outdated Drugs from Pharmacies to Wholesalers,
Manufacturers and Distributors

March 11, 2014

Senator Doyle, Representation Baram, Ranking Members and Members of the General Law Committee:

Please allow me to thank you in advance for your consideration of my written testimony in support of Raised Bill #5333. My name is S. John Grillo and, together with family members, I continue at the age of 75 to practice pharmacy and govern the operation of Utley & Jones Pharmacy, Inc. in Norwich, CT. For the past 50 years, through personal sacrifice, prudence, and dedication, we were able to excel in providing the brand of services that our patients sought.

Most prescription items come packaged in bottles of 100 count, and acquisition costs of \$500.00 or more. A prescription calling for 30 tablets of that product leaves a potential loss of \$350.00 in the container, while a call for 90 tablets, still leaves a \$50.00 loss to the purchase price, which is always paid in advance. The manufacturer, who claims to reduce the cost of the item by 1% to account for product loss, has generously recued my \$50.00 loss by \$5.00.

As pharmacists cannot prescribe those containers will remain stagnant and a reminder of huge losses. These losses are often magnified tenfold with products of 30 count now costing \$1,200.00 to \$2,000.00. Imagine the quandary a pharmacist faces when he receives an order for only 7 or 14 tablets of one of these items, an unfair predicament faced by no other businesses or profession. As they are already at the mercy of insurers who determine the selling price for said prescription product, in addition, they now face a loss of several hundred dollars for unused medications. It should be noted that similar situations do not occur in the European Union, where prepackaged RX medications are dispensed in their entire quantity.

There are manufacturers who will accept "full" or "partial" stock bottles for credit, but it should be noted that the pharmacy must still hold the product for two to three years, until the expiration date is reached. Thankfully there are return services. My pharmacy alone will lose some \$6,000.00 to \$12,000.00 annually on unsalable or nonrefundable medications. This, of course, has an impact on corporate profitability. Multiplied by some 900 pharmacies in Connecticut, the loss to corporate tax revenue may be assumed to be in the millions of dollars.

As the pharmacy is the only conduit through which medicines reach the public, there must a consistent and equitable returns policy to minimize their losses. We can surely expect the opposing rhetoric to remain the same: "We will have to raise prices, and the public will suffer." That argument should ring hollow when weighed against the millions spent on physician sampling, media advertising, free first prescription supplies, and the explosion of manufacturer coupons to generate continued sales through reduced copays.

Once again, please accept my thanks for your support of Raised Bill #5333.

Sincerely,

S. John Grillo, R.Ph.

President

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