



CACCP

Connecticut Association of Community Pharmacies

**Testimony Before Human Services Committee
In Opposition to Budget Cuts
To Medicaid Pharmacy Reimbursement
HB 6846**

Senator Moore, Representative Abercrombie and members of the Human Services 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 through the State MAC formula (generic drugs) which is currently AWP-72%.

The Administration is proposing to cut pharmacy reimbursement from AWP-16% plus \$1.70 to AWP -18% plus \$1.40. These cuts would be devastating to community retail pharmacies. Because the margin is so low in the retail business (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. If they can remain in the program, they may be forced to reduce their workforces, store hours, and courtesy in-store services. Some could even be forced to close.

Community pharmacies face economic difficulties from the inadequate reimbursement and dispensing fees because the majority of their income is from dispensing prescription drugs. Community pharmacies provide vital community services from dispensing necessary medications to patients to maintaining their adherence with their prescribed medications to immunizations services and counseling patients on their health care e.g. diabetes, blood pressure, etc. They provide a crucial health care link for Medicaid patients and other residents in communities across the state. For many patients, community pharmacies are the most readily accessible health care provider. Creating access problems for these patients to their community pharmacy may result in health risks and lead to use of higher cost services such as hospitals, and emergency rooms.

We strongly urge the Connecticut Legislature to reconsider the proposed cuts that will have a negative impact on community pharmacies in Connecticut.