



Connecticut General Assembly Appropriations Committee
February 27, 2015
HB 6824, An Act Concerning the State Budget for the Biennium Ending
June Thirtieth 2017, And Making Appropriations Therefor And Other
Provisions Related to Revenue
Testimony of David Benoit

Sen. Bye, Rep. Walker and members of the Appropriations Committee, my name my name is David Benoit. I am a pharmacist and the Vice-President of Patient Care Services at Northeast Pharmacy Services, an organization that supports the business of pharmacy in approximately 100 Connecticut independent pharmacies. I am here to speak in strong opposition to HB 6824, An Act Concerning the State Budget for the Biennium Ending June Thirtieth 2017, And Making Appropriations Therefor and Other Provisions Related to Revenue.

The Governor's budget proposes that the Medicaid reimbursement to pharmacies change from **AWP -16% + \$1.70** to **AWP -18% + \$1.40**. This 2% reduction sounds small, but it is approximately 50% of the pharmacy's profit on a brand prescription. The \$0.30 reduction in the dispensing fee is that much further away from the \$12 that it costs to dispense a prescription in Connecticut. Pharmacies have gotten by with making some money on the product to make up for the abysmal dispensing fee.

All pharmacies are not simply providing prescription drugs in a bottle to patients. We have to counsel them on the proper use of their medication. We monitor their behavior and patterns in taking or not taking the medication as they should. Many pharmacies provide special packaging to patients who need help with their medication schedules. Special packaging is also found in managed medication environments like assisted living facilities and group homes. These facilities residents, homebound patients and anyone who requests this service can get delivery of their medicines from most of my affiliated independent pharmacies. These are the services that are at risk if reimbursements are cut. We do not receive compensation for these additional services.

We provide the right medicine to the right patient with surprising accuracy. Yet, Medicaid audits reclaim extraordinary extrapolated settlements against pharmacies because of clerical errors as simple as the wrong date written on the prescription. Or, the prescription was inadvertently coded as a written prescription when it was actually a fax. Worse still, the physician writes the prescription on a blank that is not actually tamper resistant as required and the pharmacy gets penalized, the whole amount of the medication and the dispensing fee multiplied by a factor to make your head spin and your stomach turn.

Cutting reimbursements impacts jobs and tax revenue.

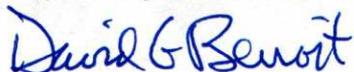
Finally, cutting reimbursements does not produce the claimed savings. Fifty cents of every dollar spent by Medicaid on prescription drugs is paid back to the state by the federal government. Another twenty-five cents is paid back to the state by the manufacturers. The bottom line is that the budget cut is really only twenty-five cents. But the negative consequences to the small business economy of pharmacy are the whole dollar!

Let me say that another way. For every dollar that the state raised reimbursement for prescription drugs to pharmacies, there would be a revenue increase of seventy-five cents. That's a lot better than any of the tax incentives the state has given to incent companies to do business in Connecticut. How about it?

It is not solely the responsibility of pharmacies to provide prescription drugs to patients who rely on the state. It must be a collaboration of pharmacy with the state. The proposed cuts do not make sense.

I thank you for your time in consideration my position on this important matter.

Respectfully submitted,



David G. Benoit, MHP, R.Ph.