

Pharmacy Principles in Medicaid Reform

As Congress examines potential changes to the Medicaid program, it is important to ensure that patients have continued access to cost-saving and valuable pharmacy services. Retail community pharmacies remain committed to this endeavor. As the policy implications of ACA repeal are debated, Congress should consider the following principles and the impact that proposals to decrease or eliminate patient access to pharmacy services would have on the cost of healthcare and the health of Medicaid patients.

- ***Ensure stability for Medicaid beneficiaries by maintaining the policies of the Medicaid Covered Outpatient Drugs Final Rule.*** In January 2016, CMS issued the Covered Outpatient Drugs Final Rule, implementing significant changes to pharmacy reimbursement as a way to ensure that reimbursement levels were adequately set to help ensure patient access to needed prescription drug and pharmacy services. Any reconciliation proposals should continue these efforts intended to ensure stability of care and that Medicaid beneficiaries have continuous access to their local pharmacies and the valuable services pharmacies provide.
- ***Retain Medicaid beneficiaries' access to convenient, local pharmacies and prescription drug services.*** Ninety-one percent (91%) of all Americans, including Medicaid beneficiaries, live within 5 miles of a retail community pharmacy. Pharmacies are among the most convenient and readily accessible healthcare providers. Recognizing the convenience and value of pharmacy services, all states have opted to cover outpatient prescription drugs for enrolled beneficiaries. In calendar year 2016 alone, retail community pharmacies filled approximately 610 million prescriptions for Medicaid fee-for-service and managed care beneficiaries. This is strong evidence that, as the healthcare system continues to evolve, access to prescription drugs is essential to, and will continue to be a critical factor for, Medicaid beneficiaries.
- ***Preserve savings to states for prescription drugs.*** In light of increasing healthcare costs and state fiscal constraints, preserving pharmacy benefits coverage not only will ensure patients have uninterrupted access to cost-saving prescription drug regimens, but also it will retain policies that generate additional funds for states through the Medicaid rebate programs for all drugs that are covered by these benefits. Research has shown that a 1% increase in overall prescription drug utilization was associated with decreases in total nondrug Medicaid costs by as much as 0.167%, which is equal to an overall healthcare cost savings of approximately \$760 million annually.
- ***Expand beneficiary access to all valuable services provided by local pharmacists that reduce overall healthcare costs.*** Pharmacy services help improve quality of life and healthcare affordability for Medicaid beneficiaries. In addition to fulfilling prescription drug needs, pharmacy services provide lower-cost innovative services such as administering immunizations, medication therapy management, health education, point of care testing, and disease-state management. Removal or limitation of pharmacy benefits not only will jeopardize patient access to prescription drugs, but also it will limit access to all valuable services provided by retail community pharmacists. For example, more than 50,000 individuals die each year from vaccine preventable diseases, while thousands more suffer serious and costly health problems that could be treated more efficiently through pharmacy services.

Preserve beneficiary access to pharmacy services in Medicaid as Congress considers ACA reform as an investment in pharmacy services is a cost-effective approach to Medicaid reform.

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