

The logo for the National Association of Chain Drug Stores (NACDS) features the acronym "NACDS" in white, bold, sans-serif capital letters. The text is centered within a dark blue rectangular box that has a thin white horizontal line running through its middle.

NATIONAL ASSOCIATION OF  
CHAIN DRUG STORES

Statement

Of

The National Association of Chain Drug Stores

For

U.S. Senate  
Committee on Finance

Hearing on:  
“Chronic Illness: Addressing Patients’ Unmet Needs”

July 15, 2014  
10:00 A.M.

215 Dirksen Senate Office Building

---

National Association of Chain Drug Stores (NACDS)  
1776 Wilson Blvd., Suite 200  
Arlington, VA 22209  
703-549-3001  
[www.nacds.org](http://www.nacds.org)

The National Association of Chain Drug Stores (NACDS) thanks the Members of the Committee on Finance for the opportunity to submit the following statement for the record on “Chronic Illness: Addressing Patients' Unmet Needs.” NACDS and the chain pharmacy industry are committed to partnering with Congress, HHS, patients, and other healthcare providers to improve the quality, affordability, and accessibility of healthcare services.

NACDS represents traditional drug stores, supermarkets and mass merchants with pharmacies. Chains operate more than 40,000 pharmacies, and NACDS' 125 chain member companies include regional chains, with a minimum of four stores, and national companies. Chains employ more than 3.8 million individuals, including 175,000 pharmacists. They fill over 2.7 billion prescriptions yearly, and help patients use medicines correctly and safely, while offering innovative services that improve patient health and healthcare affordability. NACDS members also include more than 800 supplier partners and nearly 40 international members representing 13 countries. For more information, visit [www.NACDS.org](http://www.NACDS.org).

NACDS supports the *Better Care, Lower Cost Act*, introduced by Chairman Ron Wyden and Senator Johnny Isakson, which would implement the use of Better Care Programs (BCPs) to provide fully-integrated medical care for people with chronic diseases. The bill will promote accountability and better care management for chronically ill patients and provide coordinated items and services under Parts A, B and D with the goal to prevent, delay or minimize the progression of illness or disability associated with chronic conditions. This important legislation would further the goal of ensuring that patient's needs are met.

We are pleased that the legislation specifically recognizes the contributions provided by pharmacists to improve care to patients with chronic conditions. Community pharmacists play a vital role in advancing the health, safety, and well-being of the American people and in assisting to meet the needs of those suffering from chronic illnesses. As the face of neighborhood healthcare, community retail pharmacies and pharmacists provide access to prescription medications and over-the-counter products, as well as cost-effective health services such as immunizations and disease screenings. Through personal interactions with patients, face-to-face consultations, and convenient access to preventive care services, local pharmacists are helping to shape the healthcare delivery system of tomorrow—in partnership with doctors, nurses, and others.

As the U.S. healthcare system continues on its transformational path, a prevailing issue for public health leaders will be the adequacy of access to affordable, quality healthcare. The national physician shortage coupled with the continued expansion of health insurance coverage will have serious implications for the nation's healthcare system. Access, quality, cost, and efficiency in healthcare are all critical factors – especially for those with chronic illnesses. Community retail pharmacies are oftentimes the most readily accessible healthcare provider. Research has shown that nearly all Americans (89%) live within five miles of a community retail pharmacy. Such access is vital for those with chronic illnesses, but especially those who are not having their healthcare needs met. From helping patients take their medications effectively and safely, to providing preventive services, pharmacist services help keep people healthier and reduce costs.

Community pharmacists have the education and training to address many of the noted healthcare challenges. Community retail pharmacies stand ready to work with other healthcare providers to advance patient outcomes and population health. Specifically, community pharmacists are trained and educated to provide comprehensive chronic medication management, health screenings, preventative care, and pharmacogenomics counseling; order and interpret lab tests; initiate and modify medication regimens; provide rapid diagnostic testing (e.g. flu, strep and others); perform physical assessments; and provide immunizations and health and wellness care.

Community retail pharmacies offer innovative care services to reduce hospital readmissions and health outcomes in medical homes, and engage with high risk patients in emerging care models. However, the lack of pharmacist recognition as a provider by third party payors including Medicare and Medicaid has limited the number and types of services pharmacists can provide, even though fully qualified to do so.

Examples of community retail pharmacy's increasing role in providing patient care include medication therapy management (MTM) and expanded immunization services. Congress has recognized the importance of pharmacist-provided services such as MTM by including it as a required offering in the Medicare Part D program. MTM under the Part D program specifically targets beneficiaries with chronic conditions. The experiences of Part D beneficiaries, as well as public and private studies, have confirmed the effectiveness of pharmacist-provided MTM. A 2013 Centers for Medicare and Medicaid Services (CMS) report found that Part D MTM programs consistently and substantially improved medication adherence and quality of prescribing for evidence-based medications for beneficiaries with congestive heart failure, COPD, and diabetes. The study also found significant reductions in hospital costs, particularly when a comprehensive medication review (CMR) was utilized. This included savings of nearly \$400 to \$525 in lower overall hospitalization costs for beneficiaries with diabetes and congestive heart failure. The report also found that MTM can lead to reduced costs in the Part D program as well, showing that the best performing plan reduced Part D costs for diabetes patients by an average of \$45 per patient.

How and where MTM services are provided also impact its effectiveness. A study published in the January 2012 edition of *Health Affairs* identified the key role of community retail pharmacies in providing MTM services. The study found that a community retail pharmacy-based intervention program increased patient adherence for patients with diabetes and that the benefits were greater for those who received counseling in a retail, face-to-face setting, as opposed to a phone call from a mail-order pharmacist. The study suggested that interventions such as in-person, face-to-face interaction between the community pharmacist and the patient contributed to improved adherence behavior with a return on investment of 3 to 1.

Since community pharmacists have the proven ability to provide services that lead to better clinical outcomes and lower healthcare costs, allowing them to practice up to their full extent will prove beneficial for all patients, including those suffering from chronic illnesses. Increasing access to community pharmacists will improve health and reduce overall healthcare spending by reduced complications that lead to increased use of expensive medical services and hospitalizations.

NACDS thanks the Committee for consideration of our comments. We look forward to working with policymakers and stakeholders on these important issues.