



## Coalition Formed to Preserve Access to Health Care for Patients Who Need it Most

**Pharmacy Choice and Access Now (PCAN) promotes prescription drug access, releases study showing drastic effects cuts will have**

(AUSTIN, Texas, April 6, 2011) A group of pharmacists, consumers and businesses today announced the launch of Pharmacy Choice and Access Now (PCAN), a coalition committed to preserving quality and affordable health care and pharmacy services for patients. PCAN aims to provide a voice to patients, health care providers and pharmacists around the country and offer sensible solutions to ease budget shortfalls while maintaining quality, accessible care for patients on Medicaid.

PCAN is first focusing its efforts in Texas, where patient choice and accessibility will be affected by impending cuts to Medicaid that will endanger the ability of community pharmacies to provide necessary services. Cuts currently being considered by the state legislature are poorly conceived, unsustainable, and will dramatically affect patients across the state.

Lawmakers are planning to introduce a large, bureaucratic middleman known as a "Pharmacy Benefit Manager" to administer 80 percent of Medicaid's prescription drugs through a restricted managed network. In addition, they are proposing extreme cuts to Medicaid reimbursement rates paid to pharmacies. These cuts would take the form of significant reductions to dispensing fees, which are used to cover the overhead of pharmacies already operating on razor-thin margins. Without open access networks and adequate reimbursement levels as the cornerstones of Texas' pharmacy Medicaid program, community pharmacies could find themselves no longer able to serve Medicaid patients or even to stay in business.

To provide Texas legislators with sufficient data on the drastic consequences these cuts will have, the coalition released a study, "The Economic Impact of

Changing the Texas Medicaid Pharmacy Benefit Structure," which illustrates that current legislative proposals would cause significant disruptions in pharmacy delivery services without providing long-term solutions to rising healthcare costs.

"If these proposals become law, our state's neediest patients will not be able to get their medications from their local pharmacy – from the people they know and trust," explained Tammy Gray, owner of Buda Drugstore and PCAN spokesperson. "Local pharmacies have been the cornerstone of communities for generations, and local pharmacists know their customers the best. We can't let bureaucracy get in the way of patient care. And this isn't just about Medicaid recipients. If the local pharmacy shuts down, it will impact the entire community."

"This proposal is being falsely promoted as a cost-saving measure, yet as presently structured, it represents a new bureaucratic layer that will mean duplicative efforts and actually increase costs," said Dr. Ray Perryman, President of The Perryman Group. "While it is easy to claim superficial efficiencies now, our analysis indicates that this proposal will ultimately hurt patients, taxpayers, community pharmacies and, ultimately, the economy of Texas."

Specifically, the Perryman Group found that the economic impact of limiting pharmacy access to Medicaid recipients lead to substantial annual losses in economic activity. The worst case scenario forecasted \$4.7 billion in reduced output (real gross product) and over 64,000 permanent job losses if dispensing fees and Medicaid Carve-in proposals are adopted.

Rep. Fred Brown (R-College Station) shares the coalition's concern that the cuts are too drastic and

will hurt patient access and harm our local and state economy.

"The Texas legislature should reject short-sighted proposals that will reduce patients' access to prescription drugs and will increase costs long-term when access to Medicaid services is restricted," said Rep. Brown. "Current proposals to move Medicaid to pharmacy benefit managers unnecessarily adds waste and bureaucracy. We already have a Medicaid pharmacy vendor program that works. The pharmacy benefit managers and their allies, the big pharmaceutical companies, have a long history of acting against the best interests of the State of Texas. Since 2000, the Texas Attorney General has sued 'big pharma' for overcharges in Medicaid, for over \$420 million. We've had a hard time keeping them out of the State's cookie jar, and now we're just going to hand it to them? Texans deserve better."

Community pharmacies represent a significant part of Texas' economy and employ upwards of 100,000 Texans. These pharmacies often offer the greatest access to affordable basic health services to underserved populations. Working with legislators across the country, PCAN plans to push for sensible solutions to address healthcare budget shortfalls.

#### **About PCAN**

Pharmacy Choice and Access Now (PCAN) is a coalition of consumers, local business and pharmacists across the nation committed to preserving quality and affordable health care and pharmacy services for patients. We are committed to providing the most cost effective solutions in the areas of health care and pharmacy services to enable states around the country to help solve their budget woes while maintaining quality care for children, families and other Medicaid-served populations.

For more information on Pharmacy Choice and Access Now visit

<http://www.rxchoiceandaccess.com>.