



# Speak Out Against — PACE Proposed Pharmacy Cuts

## Pharmacists' Talking Points

- 1) **NO CUT is necessary!** The Governor wants to expand coverage to 30,000 people. He can do this without money from pharmacies. The proposal includes \$42 million additional in rebate dollars from pharmaceutical manufacturers. The additional enrollee cost is \$20 million. That leaves \$22 million additional money on the table. So \$36 million is not needed from pharmacies.
- 2) **The proposed cuts are not workable.** Use the attached brief to provide to your legislator and review where reimbursement currently is and to show how drastic the cuts are. Explain that you cannot buy generics at these prices (AWP-80%). You will lose money on virtually every generic prescription. No business can afford to do this! Use our Generic Loss Example (Available on our website) or make your own.
- 3) **Actual Acquisition Cost (AAC), as the proposed model, is not a reported industry standard.** Using it would penalize those pharmacies who make every effort to buy wisely. It does not encourage generic dispensing, which is essential to controlling overall program cost. Acquisition cost varies from pharmacy-to-pharmacy from day-to-day. It will cost pharmacies money to implement and an audit be a nightmare to prove.
- 4) **Pharmacists have been an integral part of the success of the PACE program.** Pharmacists understand the program and how it works. They have promoted it to eligible seniors. They have made the program work with the changes brought on by the implementation of Medicare Part D and each year as changes are made, pharmacists help these patients adapt and understand. We deserve to be fairly compensated for this service.
  - Specifically mention how many PACE patients you have
  - Be prepared to tell a short story of personal help and service you provided to a PACE patient.
- 5) **The proposed dispensing fee increase does not cover the costs of dispensing.** You can cite some of the national studies or even your own specific figures. But explain all the costs involved, overhead, inventory, personnel, liability, etc.

*If possible get a commitment that your legislator will vote against the proposed cuts to pharmacy  
Remind them they can still support adding enrollees!*

## Some feedback you are likely to hear...and how to respond.

*This is a tough budget year. Everyone is getting cut, everyone must suffer some pain.*

A good response to this is that this will be pharmacy's third cut in five years. Surely cutting pharmacy to below our cost is not a way to help the economy. Mention the jobs you provide and the taxes you pay. Medicare Part D is saving the Commonwealth \$20 million dollars per month, why is any cut in this program needed?

*What if you have to take some cut—what's acceptable? Are you pursuing an amendment to the proposal?*

Try your best to be non-committal to any alternative at this point. Explain that we really feel a cut is not appropriate as pharmacies need to stay in business to serve their patients.

*PACE is the best payer to pharmacies.*

Yes, its fair to say that PACE is one of the **more fair** payers. But this proposal would make PACE among the worst and likely force some pharmacies to close or stop participating in PACE. Plus you have to remember that the typical individual on the PACE program is elderly, with limited education, and on multiple medications for several comorbidities and needs more care and attention than many patients with commercial plans.

**REMEMBER—Let PPA know how your meeting went, we can follow up with more information or to also make additional points if necessary. Plus we need to know where each and every legislator stands on this.**