



## Statement to the Prescription Medication Usage Study Committee

Senator Amanda Ragan and Representative Beth Wessel-Kroeschell, Co-Chairpersons and Members of the Prescription Medication Usage Study Committee, the National Association of Chain Drug Stores (NACDS) and the Iowa Retail Federation are pleased to submit a statement for the Committee's consideration regarding cost, access, and quality of prescription drugs for the Committee meeting on October 21, 2009. The Iowa Retail Federation and NACDS represent 21 pharmacy companies operating about 412 pharmacies providing services to the residents of the state of Iowa.

Community pharmacies support a number of efforts to provide patients with access to cost-effective prescription drug therapy. For example, we support:

**Increased Utilization of Generic Drugs:** Community pharmacies support substituting generic pharmaceuticals for their brand-name equivalents to promote cost-effective drug therapy. In addition, we support incentivizing generic dispensing through means such as differential copayments for brand and generic drugs and higher dispensing fees for generic drugs to promote generic drug use.

**Use of Preferred Drug Lists:** Although Federal law requires Medicaid programs to maintain open formularies, states may use a preferred drug list (PDL) to encourage the use of more cost-effective drugs. We support use of PDLs to promote cost-effective drug therapy. Drugs not included on the PDL can still be made available through prior authorization. Manufacturers of more expensive drugs are encouraged to participate in state supplemental rebate agreements and pay supplemental rebates in order for their drugs to be included on the PDL.

**Use of Prior Authorization:** We are supportive of prior authorization as appropriate to limit the use of drugs in certain drug classes to patients with specific medical conditions or histories. It is also used as a means of enforcing preferred drug lists so prescribers will try less costly but equally effective therapies before proceeding to more costly ones. CMS has advised state Medicaid agencies that it supports requiring prior approval of certain individual drugs or classes of drugs before they are dispensed as a cost savings approach.

**Pharmacy Medication Therapy Management Services:** We support medication therapy management (MTM) programs that allow community pharmacists to work with the patient's primary healthcare practitioner for patients with chronic conditions (such as diabetes, asthma, and hypertension) that are taking a number of prescription medications. MTM services assist these patients to better understand their medical conditions and their complex drug treatment. MTM programs increase the quality of care patients receive and patient awareness of their drug treatment. The long term results from MTM programs are quality healthcare for Iowans, effective use of prescription drugs, and cost-effective healthcare.

We thank you for the opportunity to present our views.

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