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NACDS NATIONAL ASSOCIATION OF CHAIN DRUG STORES

Testimony in Support of Amendments to House Bill 110
Before the Senate Health Committee

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May 6, 2021

Thank you, Chairman Huffman, Vice Chairman Antani, Ranking Member Antonio and members of the Senate Health Committee. My name is Lora Miller and I am the Director of Governmental Affairs & Public Relations for the Ohio Council of Retail Merchants. I appreciate the opportunity to appear before you today.

On behalf of the 1,600 pharmacies and more than 6,700 pharmacists operating and providing patient care in Ohio, the Ohio Council of Retail Merchants (OCRM) and the National Association of Chain Drug Stores (NACDS) urge you to recommend an amendment to House Bill 110 to continue the supplemental pharmacy dispensing fee in Medicaid managed care. We also wish to convey our support for the provision in the budget allowing patients to have access to tobacco cessation services at a pharmacy without a prescription and request that you recommend the elimination of the lockable prescription medication containers pilot program currently in the bill in Section 337.205.

As background, in 2019 the legislature appropriated over $30 million in the budget bill to offset seriously inadequate pharmacy reimbursement in the Ohio Medicaid managed care program. Based on the legislature's directive, in 2020 the Ohio Department of Medicaid began paying supplemental dispensing fees for prescriptions dispensed to managed care beneficiaries. The goal of the supplemental dispensing fees was to sustain pharmacies until the long-planned Medicaid managed care reforms, including a new pharmacy reimbursement formula using referenced-based pricing, were in place to help ensure adequate reimbursement to pharmacies.

The supplemental payments have truly helped sustain pharmacies while Medicaid managed care reforms are being developed. ODM Director Corcoran recently projected that the necessary pharmacy reimbursement reforms should be implemented by mid-2022, although there is no guarantee. Since supplemental pharmacy dispensing fee funding was not included in the Governor's proposed budget nor the House passed version, it will end June 30, 2021 unless the Senate takes action. **Without continuation of the supplemental dispensing fee, there will be a severe cut in pharmacy reimbursement at the absolute worst possible time.**

The supplemental dispensing fee has helped pharmacies rise to the challenges and work as key leaders in meeting the state's health care needs during the COVID-19 pandemic. Ohio's pharmacies have been essential health care providers, serving on the front lines providing COVID vaccines and testing. This is in addition to the everyday care they provide helping ensure that patients have the medications they need.

Now is the wrong time to abandon pharmacies who have risen to meet the COVID challenge and have been integral in the state's fight against the pandemic. As such, we urge that you continue funding the supplemental dispensing fee until Medicaid managed care reforms are implemented. Please recommend an amendment to continue this funding until ODM implements a new reimbursement methodology using referenced-based pricing. A draft amendment appears at the end of my testimony for review.

Another issue of concern regarding House Bill 110 is a last-minute amendment on the day of the House Finance Committee vote to establish a lockable prescription medication containers pilot program that **mandates** pharmacy participation. A very similar proposal was introduced as House Bill 231 in the 132nd General Assembly and never made it out of the House Health Committee because of significant opposition. A slightly modified version of the bill was included in an omnibus amendment in House Finance Committee without any discussion or debate.

We believe the pilot could be a tremendous waste of time and resources. Notably, in 2017, the United States Department of Justice Defense Health Agency (DHA) conducted a similar study and found no evidence that lockable containers prevent opioid diversion. Moreover, the DHA study concluded that use of lockable prescription containers was not cost-effective and added an average of $7.00 to the cost of each prescription dispensed.

In addition to the DHA study findings, we are concerned that:

1) Lockable containers challenge the abilities of medically frail individuals to access their medications. This includes patients dealing with pain from recent trauma or surgery, those who have a cancer diagnosis or end of life pain, and/or seniors and others with dexterity challenges like rheumatoid arthritis.
2) Lockable containers are not impenetrable, and individuals who are intent on breaking into this type of packaging could do so with little effort.
3) There are many prescription security products already on the market and widely available at pharmacies and other retail locations. We believe the language in the budget bill restricts patients to one or two products sold by select manufacturers.
4) There is not a single peer-reviewed study that indicates that lockable containers prevent either drug diversion or overdose.

For all of these legitimate reasons, we respectfully request that the pilot program included in Section 337.205 of the House-passed version of House Bill 110 be removed by the Senate.

Lastly, we support the language in the budget that allows trained pharmacists to dispense tobacco cessation drugs to individuals without a prescription under a physician protocol. Pharmacists are well-positioned and trained to provide local and convenient cessation services to smokers seeking to quit. Fifteen states currently have similar programs, including our neighbors Indiana, West Virginia and Kentucky. This is not a new concept – pharmacists in New Mexico have been providing tobacco cessation services to patients since 2004. Pharmacists have a four-year, doctoral-level degree with extensive coursework in pharmacology, clinical patient care, drug selection and patient assessment. Consider that various studies have shown the following:

1. Pharmacist-led smoking cessation programs are cost-effective - one study demonstrated incremental discounted cost-effectiveness was $720-1418/life-year saved.[1]
2. Pharmacist-led smoking cessation programs significantly impact abstinence rates.[2]
3. Pharmacists can play a vital role in smoking cessation – in this study, ~half of the participants were successful at quitting by months 3 and 6.[3]

In conclusion, OCRM and NACDS urge this committee to recommend an amendment to House Bill 110 to help preserve pharmacies' abilities to meet critical patient needs in this time of public health emergency by continuing to fund the supplemental pharmacy dispensing fee in the Medicaid managed care program. In addition, we urge you to reject the unnecessary and wasteful pilot to test lockable prescription medication containers and support the pharmacy-based smoking cessation program in the budget, which has proven benefits to patients and is cost-effective to the healthcare system.

Thank you, Mr. Chairman, Vice Chair Antani, Ranking Member Antonio and members of the Senate Health Committee. I would be happy to answer any questions you may have.

[1] https://onlinelibrary.wiley.com/doi/abs/10.1592/phco.22.17.1623.34118
[2] https://onlinelibrary.wiley.com/doi/abs/10.1111/jcpt.12131
[3] https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4139046/

Amendment No. AM_134_ Am. Sub. H. B. 110

I_134_

_____ moved to amend as follows:

In line 70877, insert:

"SECTION 333.230. PHARMACY SUPPLEMENTAL DISPENSING FEE

(A) Effective July 1, 2021, the Department of Medicaid shall continue the supplemental dispensing fee established by Section 333.280 of Amended Substitute House Bill 166 of the 133rd General Assembly into fiscal years 2022 and 2023.

(B) The Medicaid Director shall adjust the supplemental dispensing fees if federal Medicaid statutes or regulations adopted by the Centers for Medicare and Medicaid Services reduce the amount of federal funds the Department receives for the supplemental dispensing fee. The Department of Medicaid shall expend $23,800,000 state share in fiscal year 2022 and $29,200,000 state share in fiscal year 2023, along with any corresponding federal shares, for the supplemental dispensing fees provided under this section. Should the Medicaid Director establish a reference-based formula for drug product cost reimbursement along with a single pharmacy dispensing fee prior to the end of the biennium, the unused funds allocated for the supplemental dispensing fee shall be reallocated to the single pharmacy dispensing fee.

The motion was _____ agreed to.

SYNOPSIS

Medicaid pharmacy supplemental dispensing fee

Section 333.280 of H.B. 166 of the 133rd General Assembly; Sections A and D

Continues the pharmacy supplemental dispensing fee beginning on January 1, 2021, directs the Department of Medicaid to expend $23,800,000 state share in fiscal year 2022 and $29,200,00 state share in fiscal year 2023 for the supplemental fee, and redirects unused funds toward a single pharmacy dispensing fee should one be established along with a referenced-based formula for drug product cost reimbursement during the budget cycle.