

The Honorable Claire Ayer
Chair, Senate Committee on Health and Welfare
Vermont General Assembly
115 State Street
Montpelier, VT 05633

Testimony: Jeffrey Hochberg
President Vermont Retail Druggists

RE: Senate Health Care Proposed Language

Senator Ayer,

Thank you for giving the opportunity for me to speak on behalf of pharmacies throughout the State of Vermont. Healthcare reform is a complicated and tangled web of various issues and I want to applaud you and the committee for all the hard work that has been done thus far toward the betterment of healthcare for all Vermonters. It is my belief that the initial step toward reform is "Transparency", and the proposed language before the committee aims at just that.

Subchapter 3. Maximum Allowable Cost
3811-3812

The language set forth in these sections was done so with the following purposes:

1. Improve patient's and pharmacist's ability to make informed decisions about the patients care.
2. Aid the pharmacist in identifying the lowest cost drug therapy for a patient without embarking on a "trial and error" discovery that would be subject to change at any given notice.
3. Give the pharmacist and ability to negotiate with pharmaceutical wholesalers for the lowest drug acquisition costs based on reimbursement terms set forth by the wholesaler in a "take it or leave it" contract with the PBM.
4. Challenge and hold accountable the PBM when errors occur so as not to remain an unchecked player in the healthcare of Vermonters.

Given the testimony over the last few days over 6 (B) of 3812, (pg. 7 ln 7) I have come to realize that the intent may have been lost in translation. The intent is not for the pharmacy to forgo its responsibility in seeking out the best possible price for the patient and payer alike. If a drug can be shown to be available at a price below the set MAC price, from a regional wholesaler, then the appeal should be not be upheld nor the pharmacy made whole. I believe that the wording may be amended to accommodate the concerns of my peers who have testified before me.

Suggestion: (add the phrase underlined below to coincide with that intent)

(B) If an appealing pharmacy can prove that its actual acquisition cost exceeded the pharmacy benefit manager's maximum allowable cost, and there is no less expensive alternative available for purchase from a recognized wholesaler, by the pharmacy without limitation, the pharmacy benefit manager shall...

Sec. 13 18 V.S.A. 4634

4634 PRESCRIPTION DRUG PRICE DISCLOSURE

The proposed added language requiring pharmacies to display the average price of the 20 most common medications is reasonable and appropriate, albeit, premature and potentially misleading to the consumer. Firstly, the language would have to exclude controlled substances as the advertisement of such pharmaceuticals is prohibited by federal statute and arguably inappropriate. More importantly, the fact is that without "full" disclosure from the pharmacy benefit managers (including Medicare D plans), this task would be impossible. Pharmacies would have to put a disclaimer on each price that prices are subject to change at any time, and do not represent prices for Medicare D patients, (a significant percentage of all patients). This would only confuse and upset patients with respects to their actual copayments.

The Vermont Retail Druggists are committed to full disclosure and transparency. It is our wish that we could recommend this language to the committee, however to do so at this time would be counterproductive and place unfair responsibility/liability upon the pharmacies. Should sections 3811-3812 of this bill pass, and we see full compliance on this, and similar disclosures happen around Medicare D plans, then we would be more than happy to endorse such language. As it stands now it is the "cart before the horse.