

Testimony 4/23/2020

Jeff Hochberg

Director Smilin Steve Pharmacy Group

President Vermont Retail Druggists

The COVID-19 pandemic has challenged the status quo of nearly every industry and has required people everywhere to reevaluate operation models. This is true for pharmacy. What we are seeing today are national efforts to:

1. Maintain community pharmacy operations as pharmacies remain the primary access point to healthcare to many, especially in rural areas where primary care physicians are absent.
2. Enhance pharmacist role to top of their licensure to better serve the communities.
3. Control and Improve the drug distribution channel in face of dire need.

1. Many community pharmacies operating today in Vermont, independents, small regional chains, and local grocers, are small businesses that facing extreme economic conditions.

**\*\*\*Some pharmacy business in Vermont will NOT survive the economic hardships of the times\*\*\***

Although this rings true for many businesses in Vermont, we must stop to consider the impact to the healthcare delivery model should the number of closures prove substantial.

2. The State of Vermont, like most others, should be looking to utilize the pharmacists and pharmacy locations as much as possible during the crisis. HHS has authorized pharmacist to assist in testing as we move into the later phases of the pandemic.<sup>1</sup> Furthermore, as resources continue to become depleted and needs greater, community pharmacies will be an ideal location to distribute health supplies to the community without disruption to the revised Hospital functions. Hospitals can remain focused on serious cases, Health Centers on triage and less severe, and Pharmacies on the relatively health populations.

3. ACCESS TO PHARMACEUTICALS:

a. Today

- i. Hydroxychloroquine – this drug has been difficult to obtain since June of 2019. It comes in slowly and pharmacies are able to effectively treat patients with indicated diagnosis. All pharmacist that I have spoken with were NOT dispensing to patients seeking COVID-19 prevention as the drug warnings and interaction with Azithromycin clearly raised a “red flag”. Such off-label use requires serious monitoring and should be reserved for inpatient settings only. The Board of Pharmacy has echoed this sentiment and issued appropriate guidance.<sup>2</sup>
- ii. Other Drug shortages of greater concern exist and should be monitored and cause for concern should supply issues continue through the summer. Particularly,

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<sup>1</sup> Murphy, Jill. Federal guidance allowing pharmacists to provide COVID-19 testing applauded by health care leaders. Pharmacy Times. <https://www.pharmacytimes.com/news/federal-guidance-allowing-pharmacists-to-provide-covid-19-testing-applauded-by-health-care-leaders>. Published April 9, 2020. Accessed April 17, 2020.

<sup>2</sup> STATE OF VERMONT SECRETARY OF STATE OFFICE OF PROFESSIONAL REGULATION BOARD OF PHARMACY COVID-19 EMERGENCY GUIDANCE. <https://sos.vermont.gov/media/lz2igjk4/pharmacy-emergency-guidance.pdf>

Azithromycin which is a commonly prescribed antibiotic for treatment of minor respiratory infections. Rescue inhalers containing Albuterol, which are used for a great number of respiratory ailments including infection, asthma, and allergies. Many other inhalation medications are also in short supply or difficult to obtain.

- iii. Pharmaceutical Wholesalers are allocating their entire catalogues meaning more supply shortages are expected. Wholesalers are also closing smaller secondary and tertiary accts in an effort to maintain supply to their prime customers. This imposes an immediate negative effect on the ability of smaller pharmacy outlets.

We need to begin the conversation on pharmacy supply towards answering the question of what comes next. One of the reasons that Wholesalers have begun allocating outlets apart from staffing and distribution needs, is a global concern for the future. We must consider the effects this pandemic has on the global market. Our Country's dependence on China and India for raw ingredient cannot be overstated. At some point, should this crisis continue, manufactures will not be able to produce enough products to meet the needs of Americans. Vermont should be particularly wary as the volume of business Vermont generates is relatively small in comparison to more populated regions of the Country. There have been assurances from the Wholesalers that the National Logistical Centers have enough stock for now. Only time will tell. The Risk Spectrum should be something like the following:

**Fine** →→→→→→ **Some Shortages** →→→→→→ **Major Shortages**

At this point we should embrace the notion that the State of Vermont will likely see more shortages. Some more recent shortages include products for addiction therapy. As this drug is completely removed from COVID-19 pandemic, it should stand to indicate the potential of larger supply issues. Hopefully, Vermont does not begin to see civil unrest, whether spurred by the health crisis or the economic crisis; nonetheless it remains possible and pharmacies are extremely vulnerable. That said, the only issue that should be addressed at this time would be that of safety. No one can predict what the future holds but perhaps now is the time to consider what would be needed to avoid the problems we face today.

b. Ideal Tomorrow

- i. Complete ability to monitor and control the distribution of pharmaceuticals within the State of Vermont to ensure patients are cared for.
- ii. Control allocation limits.
- iii. Ability to fully monitor the economics behind the fastest growing segment of Health Care.
- iv. Control distribution of health-related products, IE nebulizers, face masks, and gloves
- v. Have a State warehouse for emergency stock.
- vi. Direct negotiations with Drug and product Manufacturers.
- vii. Reduced variables attributable to the cost inflation.
- viii. Further the ability to access affordable care for all Vermonters.

Such a tomorrow is achievable through a State Wholesale Distribution Model. What must happen first is a full understanding of the mechanics and economics behind pharmaceutical distribution. We strongly encourage the passage of the language developed by the GMCB and introduced in House Health on 3/13/2020 and identified below. This was identified as a first step towards achieving the goals in an “ideal tomorrow”. Unfortunately, the pandemic has all but accelerated the timetable for such action and we may be forced to contend with developing a new system under much more dire circumstances.

GMCB Language House Healthcare 3/13/2020:

Sec. 1. GREEN MOUNTAIN CARE BOARD; PRESCRIPTION DRUG TECHNICAL ADVISORY GROUP;  
REPORT

(a) The Green Mountain Care Board shall establish a Prescription Drug Technical Advisory Group pursuant to 18 V.S.A. § 9374(e)(2) to provide input and recommendations on the topics described in subsection (b) to the Board through January 15, 2022. The Board shall appoint interested stakeholders with applicable subject matter expertise as appropriate.

(b) The Prescription Drug Technical Advisory Group may provide recommendations to the Board on one or more of the following topics:

(1) models that enhance the Board’s ability to analyze, monitor, or report the pricing of prescription drug products or the relationship between prescription drug pricing and consumer prescription drug costs;

(2) the effectiveness of prescription drug initiatives on prescription drug costs; or

(3) other mechanisms for increasing prescription drug price transparency at one or more levels of the prescription drug supply chain.

(c) The Green Mountain Care Board shall provide a report to the General Assembly on or before January 15, 2022, based on recommendations from the Prescription Drug Technical Advisory Group.

Sec. 2. EFFECTIVE DATE

This act shall take effect upon passage.