



To: Senate Health & Welfare Committee
Re: Increase Medicaid Rx Co-Pays

April 9, 2026

Dear Chair Lyons and Members of the Senate Health & Welfare Committee,

The Vermont Pharmacists Association (VPA) is concerned about the Administration's proposal in the FY27 budget to increase Medicaid prescription drug copays from \$1 for preferred drugs and \$3 for nonpreferred drugs to \$4 and \$8, respectively. In addition to negatively impacting the patients we serve, this policy will increase costs across the healthcare system and have significant unintended consequences for Vermont's community pharmacies.

Under Medicaid requirements, pharmacies must waive copays if a patient cannot afford them. This safeguard helps ensure Vermonters maintain access to necessary medications, and it is a policy we strongly support. However, when copays are waived, pharmacies are not reimbursed and the financial responsibility is borne by the pharmacy.

As proposed, the increase in Medicaid copays would place substantial additional strain on Vermont pharmacies, particularly those serving a high proportion of Medicaid patients. Patients who are already unable to afford these copays will continue to require waivers but at higher amounts, increasing the financial losses pharmacies must absorb.

A report from the Center on Budget and Policy Priorities shows that higher copays tend to cause recipients to decrease their use of essential health care, and "can trigger the subsequent use of more expensive forms of care such as emergency room care or hospitalization"¹. This report is just one of many such analyses that have shown from past policy decisions that **increasing patient copayments for medications for chronic disease does not result in cost savings for the state Medicaid program**. Real world evidence has shown that any cost savings from increased copay requirements is outweighed by poor health outcomes caused by medication non-adherence and preventative care avoidance. Even assuming a best-case scenario, it shifts costs to patients, local pharmacies, and the broader health care system.

VPA urges your committee and the Senate to reconsider this proposal as it would worsen patient health, increase overall healthcare costs, and further strain Vermont's community pharmacies.

Thank you for your consideration.

A handwritten signature in blue ink that reads 'Lauren E. Bode'.

Lauren E. Bode, PharmD, BCACP, CDCES, BC-ADM
Legislative Liaison
Vermont Pharmacists Association

¹ Ku, L. (2005, July 7). *The effect of increased cost-sharing in Medicaid*. Center on Budget and Policy Priorities. <https://www.cbpp.org/research/the-effect-of-increased-cost-sharing-in-medicaid>