



Committee On Finance

Max Baucus, Ranking Member

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For Immediate Release
Thursday, November 3, 2005

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Baucus Helps Community Pharmacies

Senator Secures Amendment to Help Community Pharmacies Get Fair Payment

(WASHINGTON, DC) – U.S. Senator Max Baucus (D-Mont.), ranking Democrat on the Senate Finance Committee, won passage of an amendment today to help community pharmacies get fairer payment under Medicaid. The amendment was attached to the Budget Reconciliation bill that passed the Senate Thursday evening. The Baucus amendment is estimated to provide about \$800 million to community pharmacies over 5 years.

Baucus said, “Community pharmacies typically cannot acquire drugs as cheaply as mail-order and long-term care pharmacies. We should recognize that in setting Medicaid reimbursement, and my amendment does that. Without this amendment, the Senate-passed bill may have forced the smallest, independently-owned community pharmacies out of business. And it may have compromised Medicaid beneficiaries’ access to quality, affordable health care.”

To help community pharmacies, the Baucus amendment takes into account the different purchasing power community pharmacies, mail order pharmacies and pharmacies in nursing homes have. These three types of pharmacies receive different discounts and rebates from drug companies, making their respective acquisition costs different. But they are all paid for filling a Medicaid prescription based on the same formula.

“We must have an accurate basis for calculating Medicaid payments to pharmacies. Community pharmacies are not the same as mail order and long-term care pharmacies. Their acquisition costs are not the same. Therefore, they should not be treated the same in calculating payments,” Baucus said.

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