NACDS NATIONAL ASSOCIATION OF CHAIN DRUG STORES

April 7, 2015

The Honorable Senator Laurie Monnes Anderson
Honorable Members of the Senate Committee on Health Care
Oregon State Senate
Salem, OR

RE: Senate Bill 841 – Relating to Medication Synchronization for patient care

Dear Senator Monnes Anderson and members of the Senate Committee on Health Care:

On behalf of the members of the National Association of Chain Drug Stores (NACDS) operating in Oregon, I would like to thank you for holding a hearing on Senate Bill 841. The NACDS member companies in Oregon operate over 400 stores, employ over 58,000 full and part-time employees, and pay over $52 million in state taxes.

We support the provisions of Senate Bill 841 and the positive impact it will have on the citizens of Oregon who find themselves in need of multiple, chronic medications.

Medication synchronization allows pharmacists to work with prescribers and patients to get patients with multiple medications on a regimen where they receive their prescriptions all at the same time, meet with a pharmacist, and are contacted during the period between refills to ensure there have been no changes to their regimen. The outcome of such a program increases adherence to sometimes complex medication regimens and ensures a pharmacist is reviewing that regimen.

Poor medication adherence leads to more frequent hospitalizations, poorer health, higher healthcare costs, and increased risk of death. The improper use of medications results in $215 billion in avoidable US healthcare costs including $105 billion due to non-adherence alone.[1]

Medication synchronization can improve adherence by 22-24% across a range of chronic conditions.[2] In addition, Medication synchronization is a tool that Medicare uses today. Those plans and pharmacy benefit management companies that currently cover and pay for Medicare Part D claims already have the mechanisms in place to enact this legislation.

In support of the final 2012 rules which went into effect in 2014, the Centers for Medicare and Medicaid stated the following … *We believe that we have sufficiently accounted for the tradeoffs and implications of the potential impact of our requirement, both in the proposed rule and in this final rule with comment period. In the preamble and the Regulatory Impact Analysis section of the proposed rule and this final rule, we specifically accounted for the*

[1] IMS Institute for Healthcare Informatics, Report: *Avoidable Costs in US Healthcare, June 2013*
[2] *Patient Centric Model: Pilot Data Analysis Report,* David Holford, PhD et al, Virginia Commonwealth University School of Pharmacy, March 8, 2011

additional dispensing fees, as well as the administrative and programming costs that we believe Part D sponsors will incur in implementing this requirement. Despite these costs, we continue to estimate savings in the hundreds of millions each year to the Part D program.[3]

The estimated cost to Part D sponsors is $0.5 million and the savings to Part D sponsors and beneficiaries is $1.8 billion.[4]

NACDS strongly supports this legislation and respectfully asks the Honorable Members of the Committee to pass this bill out of Committee.

Sincerely,

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State Government Affairs
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[3] Centers for Medicare and Medicaid, Final Rule with Comment Period, Federal Register/Vol. 77, No. 71/Thursday, April 12, 2012/rules and Regulations, related section, 423.100, 423.104 and 423.153.
[4] http://www.gpo.gov/fdsys/pkg/FR-2012-04-12/pdf/2012-8071.pdf