

Friday, February 18

SENATE PROPOSES \$1 REDUCTION IN DISPENSING FEE MOVE VENDOR DRUG TO MANAGED CARE

Based upon testimony Wednesday of Thomas M. Suehs, Executive Commissioner of the Texas Health and Human Services Commission, the Senate's current appropriation bill, SB1, contains a \$1 reduction in the Vendor Drug Program dispensing fee. This comes on the heels of a 2% cut in the fee already absorbed by pharmacy in the last six months. The cut was part of many cost saving recommendations made by HHSC to the state legislature.

"What we are starting to see unfold is how the state budget writers will address the huge deficit,"

said Texas TrueCare Governmental Affairs Director John Heal. The spending bill has a long way to go before final passage and many changes will be made in the process.

Also included in Mr. Suehs' presentation were additional cost savings through expansions in managed care. Additionally, there has been discussion of moving, or "carving in", the Medicaid pharmacy program to managed care. "We will continue to work closely with state budget writers to ensure that pharmacy's interests are well represented during this challenging process," said Texas TrueCare chief lobbyist Robert Culley.

PHARMACY SUPPORTERS CHAIR TOP LEGISLATIVE COMMITTEES

State Rep. **Todd Hunter** of Corpus Christi led efforts last session to pass prompt pay legislation that would have helped independent pharmacists see a faster return on payments for their services. This session he's arguably one of the most influential members of the Texas House of Representatives after being named chair the House Calendars Committee.

The Calendars Committee serves as a "traffic cop" for all legislation, deciding when and if measures come to the House floor for a debate and a vote by the full membership. He was

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named chairman of that committee by Speaker of the House **Joe Straus** last week, and will serve as part of the House leadership team along with several other pro pharmacy lawmakers. In the past, many pro pharmacy legislative measures failed because they stalled in the Calendars Committee, preventing them a vote by the full legislature.

LEGISLATIVE COMMITTEES CONTINUED

Hunter's appointment gives pharmacy groups hope that many of their top issues will get a fair and balanced hearing in the legislative process, and Straus' overall committee chair appointments are a welcome relief for community pharmacists. The 2010 elections saw the loss of Democrats **Yvonne Gonzalez Toureilles**, **Solomon Ortiz Jr.** and **Mark Homer**. In addition, several pro pharmacy Republicans like Reps. **Dan Gattis** of Georgetown, **David Swinford** of Dumas and **Carl Isett** of Lubbock decided not to seek re-election.

Texas TrueCare's Governmental Affairs Director John Heal said he believed the committee appointments of legislative leaders mindful of the issues important to independent pharmacy could not have come too soon.

"The future of independent pharmacy is at a crossroads and this current session of the Texas legislature will have a dramatic impact on our profession for years to come," Heal said.

"With Texas facing a budget deficit as high as \$27 billion, the legislature is going to have to make severe cuts in order to balance the budget. Now, more than ever, we need a strong and unified front so that the high level of trust, service, and commitment to the communities we serve remain the trademark of independent pharmacy."

In addition to Hunter, Straus named pharmacist and State Rep. **Chuck Hopson**, R-Jacksonville, and pharmacy supporters **Bryon Cook**, R-Corsicana, **Bill Callegari**, R-Houston, and **Sid Miller**, R-Stephenville, to committee chairmanships.

Straus also re-appointed Brenham Republican **Lois Kolkhorst** to once again chair the House Public Health Committee and State Sen. **Jane Nelson**, R-Flower Mound, was named again to chair the

Senate Health and Human Services Committee by Lieutenant Governor **David Dewhurst**. These two powerful committees make critical public health decisions. Senator **Bob Deuell**, R-Greenville, was named as vice chair of that important senate committee.

Sen. Nelson and Rep. Kolkhorst have demonstrated a strong willingness to work with pharmacy and we believe this session will be no different. "It is always good to have a chairman who understands our issues and will give us a fair shake," said Robert Culley, Texas TrueCare's lead lobbyist. "I am again looking forward to working with Sen. Nelson and Rep. Kolkhorst on the various issues important to our members."

State Sen. **Leticia Van de Putte**, D-San Antonio, the only pharmacist in the Texas Senate, was named to chair Veteran Affairs and Military Installations and will also serve on the State Affairs and Business and Commerce Committees. Last sessions both committees reviewed many bills important to pharmacy. Pharmacy is fortunate to have a pharmacist legislator serving as an important committee chair as well as a member of those other key committees. Sen. Deuell was appointed chair of the Nomination Committee and will also serve as Vice Chair of State Affairs.

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TEXAS TRUFCARE PLAYS VITAL ROLE IN PHARMACY LEGISLATION

For years, Robert Culley and John Heal worked behind the scenes as staff members for influential Texas Senators. This experience has given them valuable insight into the Texas legislative process. Both men are once again spearheading Texas TrueCare's legislative affairs effort in Austin and will be the top advocates for community pharmacies for TrueCare Pharmacy and PBA Health.

This legislative experience will be vital to ensure that lawmakers know how the many difficult decisions they face will affect pharmacy and the patients they serve. With a budget shortfall that may approach \$27 billion, state finances will dominate the legislative agenda during the 2011 session.

Both Culley and Heal said that Texas TrueCare remains dedicated to exploring ways to save tax dollars, including state spending within the Vendor Drug Program. But they also agreed that they will do everything possible to ensure that pharmacies are adequately compensated for the professional services they provide in the delivery of healthcare and that the patients they serve have access to these important services. "We understand the difficult task state budget writers face during times of declining state revenues, and we know that pharmacy can play a vital role in this endeavor," said John Heal, Director of Governmental Affairs for Texas TrueCare.

TARGETS FOR LEGISLATIVE ACTION THIS SESSION

- **Medication Therapy Management.** Texas TrueCare will continue to support and work to advance legislation that recognizes the important role pharmacy plays in medication therapy

management. "It is well recognized that MTM helps patients with chronic illnesses stay on course and avoid preventable, more expensive treatments," said Heal. In addition, Texas TrueCare will support efforts to increase reimbursement under the Medicaid vendor drug program for pharmacy care management services provided in connection with specialty pharmacy products.

"Patients rely on their trusted, community pharmacists for expert medication counseling and cost-saving services. Nowhere is that truer than with MTM"

**Kathleen Jaeger
NCPA Executive Vice President and CEO**

- **Mail Order Prescriptions.** Texas Truecare will continue to advocate for a level playing field for independent pharmacy in Texas regarding equity in mail order prescriptions. "The mail order parity bill passed last session was only a first step," said Heal. "Independent community pharmacy must know the true economics of the state pharmacy benefit plans to ensure a level playing field," he said.

- **Managed Care For Vendor Drug Program.** While the concept of moving the Vendor Drug Program to managed care might seem economically attractive to legislators, Texas TrueCare believes many other factors need to be taken into account. "We will strive to ensure that lawmakers are educated on the intricate aspects of this proposal and that independent pharmacy's interests are well represented," said Heal.

YOUR TEXAS TRUFCARE TEAM

The Texas Truecare legislative team is comprised of Jorgen Schlemeier, John Heal and Robert Culley. Jorgen is a partner of Gamble /

Schlemeier and concentrates on healthcare related clients, including the Missouri Pharmacy Association as well as PBA Health / TrueCare. Schlemeier is a nationally-respected authority on pharmacy related issues and brings far-reaching expertise to TrueCare's Texas legislative affairs efforts.

John Heal is Texas TrueCare's Governmental Affairs Director and an Austin based attorney with nearly 30 years of legislative and political experience that includes having worked for a senior member of the Texas Senate for 10 years. Over the past eleven years, he has worked on various legal, legislative and administrative matters for Legend Pharmacy and TrueCare Pharmacy, providing him valuable experience and insight into the issues now facing independent pharmacy.

TrueCare's lead Texas lobbyist Robert Culley has nearly 30 years of legislative and political experience beginning as Chief of Staff to a Texas Representative who later was elected Senator. He was one of the most highly-respected Capitol staffers and his long-time service at the Capitol has left him with strong relationships among members and staff alike. Robert's firm, the Polan-Culley Advocacy Group has been consistently rated among the top lobbyists by members of the legislature. Their hallmarks are excellent research and strong factual presentations in a straightforward, low-key manner.

PHARMACY BILLS NEED YOUR HELP

The 2011 legislative session has officially kicked off in Austin and there is plenty of activity that will affect independent pharmacists and their patients, reinforcing the need for renewed involvement by Texas community pharmacies. Efforts to improve Medicaid and simultaneously lower costs will be debated as well as expansion of immunizations

to e-prescribing and regulating pharmacy benefit managers. So far, at least 25 pharmacy related bills have been filed in the first few weeks.

“There is no better advocate for patients and the pharmacy profession than community pharmacists. Members of the Texas legislature like to hear from their constituents and community pharmacists must take the lead in the health care debate.”

**Robert Culley, Texas TrueCare
Chief Strategist**

Bills of interest include:

- **E-Prescriptions:** Sets regulations regarding electronic prescriptions for Schedule II controlled substances.
- **Separate Reimbursements:** Creates separate reimbursements under the Medicaid vendor drug program for pharmacy care management services provided in connection with specialty pharmacy products.
- **Nurses Prescribing Drugs:** Allows “advanced practice registered nurses” the ability to prescribe and dispense prescription drugs.
- **Doctors Dispensing Drugs:** Grants the ability of physicians to dispense certain drugs to their patients and charge for those drugs.
- **Nurses Make Medical Diagnosis and Prescribe Drugs:** Gives advanced practice registered nurses authority to make medical diagnoses and to prescribe and order prescription drugs and devices in certain rural areas.

Other filed legislation deals with a drug donation program, telemedicine for Medicaid recipients and liability and further regulation regarding the sale of over-the-counter ephedrine, pseudoephedrine and norpseudoephedrine.