

# Pharmacists decry Medicare drug payments

The Associated Press

WASHINGTON – Pharmacists say a government report released Thursday validates their concerns that payments under the Medicare drug benefit are driving some of them out of business.

The report from the Health and Human Services inspector general showed that pharmacies are able to charge insurers about 18 percent more than what they pay for medicine. Also, the pharmacists get a dispensing fee of about \$2.27 cents per prescription.

But the Association of Community Pharmacists said that spread was not enough to cover all their expenses, such as employee wages, taxes and utilities. The association said an independent pharmacy typically needs to be reimbursed at about 20 percent to 21 percent above its acquisition costs just to keep its doors open, said Mike James, the association's government affairs director.

James said that more than 1,100 pharmacies closed last year, and many blame the reimbursement rates under Medicare Part D, which provides drug coverage for the elderly and disabled.

The inspector general's report made no recommendation on whether the reimbursement rates were adequate or not. Under the program, beneficiaries get coverage through private insurers. The insurers negotiate with pharmacists the rates that they'll pay for a Medicare customer's prescription. The inspector general's report noted that the dispensing fee for each prescription filled under Medicare Part D is about \$2 less than what pharmacists get when serving the poor in Medicaid.

The report was requested by 33 members of the Senate. The lawmakers have received complaints from many pharmacists that payments are too low under Medicare Part D. The lawmakers are expected to seek additional information from the inspector general.

Medicare officials said they were pleased to see in the report that payments from Part D plans to rural pharmacies were nearly identical to those in urban areas.