

NCPA Statement on House Judiciary Committee Approving Bill Restoring Fairness to Contract Negotiations for Prescription Drug Plans

Alexandria, Va. - November 07, 2007

The House Judiciary Committee has approved H.R.971, the Community Pharmacy Fairness Act of 2007. The bill restores fairness to the contract negotiations process between the small business owners of community pharmacies and the giant pharmacy benefit managers (PBMs) who administer prescription drug plans. In response Bruce Roberts, RPh, executive vice president and CEO of the National Community Pharmacists Association (NCPA) issued the following statement:

“We are grateful to the House Judiciary Committee for approving H.R. 971 today. This bill provides much needed regulatory relief for independent pharmacies in competing with larger pharmacy retailers; while also allowing these small business owners to continue providing their valuable healthcare services for patients. Currently, PBMs dictate reimbursement rates and patient care provisions to independent pharmacies when setting contract terms. This anti-free market dynamic is due to PBMs unchecked market power, while the average independent pharmacy has only \$3.6 million in pharmacy sales. PBMs dictate terms to independent pharmacies with no ability to negotiate because current laws prohibit independent pharmacies from joining together to correct this inequity.

“H.R. 971 gives independent pharmacies the ability they desperately need by leveling the playing field with PBMs in the ever changing pharmacy marketplace. As we all know, when there is competition at the retail level, consumers win with more choices and a higher quality of service and care.

“We encourage the House leadership to bring H.R. 971 for a vote and for the Senate Judiciary Committee to have a hearing and mark-up on their companion bill S. 2161. Without these actions the momentum of today will be stalled and the problem will continue.”

The National Community Pharmacists Association, founded in 1898, represents the nation’s community pharmacists, including the owners of more than 23,000 pharmacies. The nation’s independent pharmacies, independent pharmacy franchises, and independent chains dispense nearly half of the nation's retail prescription medicines. To learn more go to www.ncpanet.org.