

Pharmacies likely to not cover new Medicare drug plans

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A new Medicare prescription drug plan has some doctors, legislators and pharmacists warning consumers to be aware of prices when visiting drug stores and pharmacies to pick up medications.

Local physician Dr. Bob Sager said there is a national disaster looming with the new Medicare plan because, he said, no lawmaker bothered to insist that insurance companies pay the pharmacists enough money that the pharmacies would agree to sign on as providers.

"Typically, there seems to be 15 plans that are being promoted in Kansas, and most of them do not appear to pay pharmacists enough money to cover the costs," he said. "So none of the pharmacists are signing up." Sager wrote to Congressman Jerry Moran and was telephoned back by an assistant from Moran's office who had discovered the same problem when calling around to local drug stores.

"They were only taking on one of all the plans," Sager said.

He added that the major problem with this is that the public is not being informed about the fact that Medicare plans do not provide enough reimbursement for pharmacists, which causes drug stores to lose money if they take the plan.

Gary Kauk of H & R Pharmacy in Liberal said that if a person's medical expenditures are not at least \$750 a year, they cannot sign up for the Medicare D Drug Plan.

"If they spend \$1,200 or \$1,500, you might save them \$300 or \$400," he said. "I recommend to a lot of people, if they have any type of insurance, company's retirement, whatever, stick with it. If they're VA, stick with it."

Kauk said most of the Medicare plans have an average of 20 percent less than the average wholesale price for which the pharmacist purchases the prescription. For this reason, he said he has signed up H & R Pharmacy for only one plan, a plan he said gives a higher reimbursement for Medicare.

Providing Medicare plans for nursing homes and Medicaid patients has its disadvantages too, he said.

Among the problems is being on call 24 hours a day.

Kauk said Medicare plans provide low reimbursement rates because of insurance companies who seem to be running the country deceiving the public into signing up for any random plan made available.

Moran said he is working with other Congressmen to help lower the cost of prescription drugs, a subject he believes needs to be addressed before finding a Medicare plan that gives pharmacists enough reimbursement to return a profit.

"As a starting point, I voted against the Medicare Modernization Act that creates this prescription drug benefit for a number of reasons," he said. "One of them is it did nothing to reduce the price of prescription drugs. It just created a benefit under Medicare for certain Americans, but it did nothing to reduce the price of the drugs, which means drugs that we can't afford privately we can't afford as taxpayers either."

For this reason, Moran believes the focus should be on reducing the cost of prescriptions before creating a prescription drug benefit.

"The underlying object ought to be to reduce the cost of prescription drugs for everyone, not just senior citizens," he said. "Once we do that, it becomes much more affordable for us to provide a prescription drug for seniors or anybody else."

One of the things Moran said he is doing to combat the high price is to encourage the use of generic prescriptions rather than name brands.

"Generics are significantly less expensive than the name brand drugs," he said. "We've worked to reform the patenting system. One of the things that happens is a pharmaceutical company invents a new lifesaving miracle cure, and they get a patent, an exclusive right to market that newly discovered drug for 15 years. Then what happens, unfortunately, is they make a slight modification in their formula and extend that patent for another 15 years, keeping generics and competition away."

Moran said modifying that patent system would be one way to reduce the cost of prescription drugs and bring generics to market quicker, which would in turn bring much more competition for name brand drugs.

"I also support reimportation in which we allow, for example, drugs from Canada to be sold in the United States," he said. "The price in Canada is a third to 40 percent of the price that it is here, and it's currently not legal for American consumers to buy their drugs in Canada or other foreign countries."

Moran said he thinks this should occur, but, he said, local pharmacists, such as H & R, should be used as importers to keep the safety issue involved.

"That would create some competition for drug companies to lower the price in the United States," he said.

A prescription drug benefit under Medicare and Medicaid encourages the use of name brands rather than generics, according to Moran, which is one of the reasons he is trying to encourage the latter rather than the former.

"The more we use generics, the lower the cost is going to be," he said. "Part of it's licensing. Part of it is the plans under Medicare and Medicaid don't encourage generics and creating additional competition by allowing pharmacists to import drugs from Canada."

Moran said he is working with Congress on a plan to make higher Medicare reimbursements for pharmacists.

"One of the things we ought to be answering is why do drugs cost so much money to begin with and what are the things we can do to lower those prices," Moran said. "The second part is what do we do to make certain, particularly in rural places of this country, that we have the local pharmacist on Main Street providing prescription for consumers or patients in our part of the country. I happen to believe that pharmacists are a very important component, not only in the business community of Liberal, for example, but they really are a health care provider, and our loss of hometown community pharmacies would be a terrible loss, not only to the business community of communities across Kansas, but also for the delivery of health care."

Moran said this is because many people utilize the pharmacist to maintain their health.

"People are in the drug store on a regular basis," he said. "I'm a significant supporter of hometown pharmacy, and that's another reason I voted against the prescription drug benefit because I'm concerned that we will move very rapidly toward mail order and Internet filling of those prescriptions under Medicare squeezing our local pharmacists out of business."

To combat this, Moran said Congress is trying to find many solutions to the problem.

"We offered amendments to not only the prescription drug benefit to try to make certain that every plan has to offer a bricks and mortar Main Street pharmacy plan," he said. "The way this benefit is structured is it's coming from an insurance company, a business that's trying to make money by providing this insurance product to consumers across Kansas and the country, and they're doing everything they can to squeeze the amount of money they're paying for filling the prescriptions or the drug itself. Many times it just becomes clear that the local pharmacist loses money on filling that prescription, and therefore, they're not going to voluntarily participate in every plan."

Moran said people need to find out which plan their pharmacist accepts, which will narrow options for which plan they will use.

"If you want a hometown pharmacist involved, talk to the pharmacist," he said. "Find out what plans they are willing to accept, and that probably narrows it down from 40 plans to probably two or three."

Moran said what also must be avoided when picking a plan is managed care.

"Managed care is like a company, generally an insurance company, that provides a benefit under their insurance plan for people they insure," he said. "They do it by entering into contracts with health care providers, a physician, a hospital, and, if your insurance plan covers prescription drugs, a pharmacist. What they do, because the insurance company is out to make a profit, they provide a benefit at the least cost possible. They will pay the hospital or the doctor the least amount of money and still hope to get that hospital or that doctor to sign up. They do that because they make up for the very narrow margins in volume. They bring in patients to doctors and hospital, and the doctors and hospitals are getting reimbursed very little as far as over and above their costs."

The hope then is that the insurance company will bring the medical facilities a large number of patients, according to Moran.

"In rural America, that doesn't work," he said. "We don't have the volumes to make up for the very narrow margins. So our hospitals, our physicians, our health care providers are reluctant to enter into managed care contracts to provide benefits to a very small number of people because they lose money every time they see that patient or every time that patient is admitted to their hospital."

Moran said many people have a lack of knowledge about the prescription drug benefit due to lack of offices in smaller communities such as Liberal.

"This benefit is being administered through the Center for Medicare and Medicaid Services," he said. "They don't have offices in Liberal. There's also drug counselors who are volunteers or work through county extension offices or through the local hospital trying to provide information to Kansans, to Americans about this new prescription drug benefit."