



NATIONAL ASSOCIATION OF  
CHAIN DRUG STORES

June 14, 2021

The Honorable Nancy Skinner  
Chair, Senate Budget & Fiscal Review Committee  
State Capitol, Room 5094  
Sacramento, CA 95814

The Honorable Phil Ting  
Chair, Senate Budget Committee  
State Capitol Room 6026  
Sacramento, CA 95814

**Re: May Revise: Medication Therapy Management Payments - SUPPORT**

Dear Senator Skinner & Assemblyman Ting,

The California Retailers Association (CRA) and National Association of Chain Drug Stores (NACDS) write to express our support for Governor Newsom's May Revise proposal to provide medication therapy management payments to DHCS contracted pharmacies dispensing specialty drugs and services to Medi-Cal beneficiaries.

Millions of Californians turn to their local pharmacies every day for their medications, vaccinations, and more, and pharmacies are readily accessible in most communities with most Californians living within five miles of a pharmacy. Among the prescriptions dispensed to patients by community pharmacies throughout the state are specialty drugs. Patients rely on specialty drugs to treat their chronic diseases and complex conditions, and medication adherence is critical to keep these patients healthy and out of institutional settings. Drugs in this "specialty" category include medications that treat HIV, behavioral health conditions, cancer and chronic diseases – all of which often require expensive care.

Due to a recent reimbursement change by the state, it appears that some pharmacies in California could be reimbursed below acquisition cost of these specialty medications to Medicaid beneficiaries. Further, it appears that pharmacies may not currently be reimbursed under the state's Medicaid program for providing care to patients who require specialty drugs, like those diagnosed with HIV, diabetes and behavioral health conditions. Together, these challenges act as a barrier for pharmacies to provide these critical medications/services to patients, undermining access to care and medication adherence. The May Revise proposed initial and annual funding for Medi-Cal enrolled pharmacies to continue to provide specialty drugs and services will help ensure that medically complex Medi-Cal populations receive life-saving medications and care.

The California Retailers Association is the only statewide trade association representing all segments of the retail industry including general merchandise, department stores, mass merchandisers, restaurants, convenience stores, supermarkets and grocery stores, chain drug, and specialty retail such as auto, vision, jewelry, hardware and home stores. CRA works on behalf of California's retail industry, which operates

over 400,000 retail establishments with a gross domestic product of billions annually and employs millions of Californians.

The National Association of Chain Drug Stores represents traditional drug stores, supermarkets and mass merchants with pharmacies. Chains operate over 40,000 pharmacies, and NACDS' over 80 chain member companies include regional chains, with a minimum of four stores, and national companies. Chains employ nearly 3 million individuals, including 155,000 pharmacists. They fill over 3 billion prescriptions yearly, and help patients use medicines correctly and safely, while offering innovative services that improve patient health and health care affordability.

For the reasons outlined above, CRA and NACDS are happy to support the May Revise funding for medication therapy management and urge its passage out of the Legislature. Please do not hesitate to contact Jennifer Snyder or Lindsay Gullahorn with Capitol Advocacy at [jsnyder@capitoladvocacy.com](mailto:jsnyder@capitoladvocacy.com) or [lgullahorn@capitoladvocacy.com](mailto:lgullahorn@capitoladvocacy.com) if you have any questions.

Sincerely,



Rachel Michelin, President  
California Retailers Association



Steve C. Anderson, FASAE, CAE, IOM  
President & Chief Executive Officer  
National Association of Chain Drug Stores

cc: Members, California Legislature  
Dr. Will Lightbourne, Director, Department of Health Care Services  
Harry Hendrix, Chief, Pharmacy Benefits Division, Department of Health Care Services  
Richard Figueroa, Office of Governor Newsom