

## **NACDS Represented at White House Event with President Obama**

*NACDS emphasizes link between medication adherence, FMAP increase as White House focuses on economic legislation*

**February 17, 2010** *The White House* – Increased federal funding for state Medicaid programs is necessary to maintain pharmacy’s ability to help patients take their medications appropriately, improving their lives and preventing higher long-term costs. That was the message reinforced today through the participation of NACDS Past Chairman and Kerr Drug, Inc. Chairman, President and CEO Tony Civello in a White House event with President Barack Obama and Vice President Joe Biden on the economy. Civello participated in the event to represent NACDS, which was invited by the White House.

Civello utilized his involvement in the event as an opportunity to raise awareness for a key provision of the American Recovery and Reinvestment Act (ARRA) of 2009: an NACDS-backed temporary increase in the federal medical assistance percentage (FMAP). NACDS is urging Congress to extend this temporary increase beyond its scheduled termination at the end of 2010.

“It is an honor to represent NACDS at the White House, and we appreciate the invitation from President Obama. It is important to highlight that the ARRA provided additional federal funding to state Medicaid programs. I don’t need to tell anyone that state budgets are very tight. Many state budgets still include Medicaid cuts. But the additional federal funding has made a difference in preserving healthcare access. This is really important for people’s lives and for controlling long-term costs,” Civello said following his participation at the event.

“One of the problems we see is that if pharmacy access, for example, is diminished, patients are less likely to take their medications as appropriate. Any short-term savings are outweighed by short- and long-term costs that result from serious health complications requiring more expensive medical treatments. By one estimate, failure to take medications as prescribed, or lack of medication adherence as we call it, leads to \$290 billion in annual healthcare costs, or 13% of total annual healthcare expenditures.

“Pharmacies are the face of neighborhood healthcare. And the temporary increase in federal funding for state Medicaid programs is essential to patient health and to the viability of this valuable health resource.”

In addition to the importance of pharmacy in healthcare delivery, NACDS emphasizes that pharmacies are key economic drivers. The total economic impact of all retail stores with pharmacies transcends their \$815 billion in annual sales. Every \$1 spent in these stores creates a ripple effect of \$3.82 in other industries, for a total economic impact of \$3.11 trillion, equal to 26 percent of GDP.

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