

Approved _____ Date 2-7-85
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MINUTES OF THE HOUSE COMMITTEE ON PUBLIC HEALTH AND WELFARE

The meeting was called to order by Representative Marvin L. Littlejohn at
Chairperson

1:30 a.m./p.m. on February 5, 1985 in room 423-S of the Capitol.

All members were present except:

Committee staff present:

Emalene Correll, Research
Bill Wolff, Research
Norman Furse, Revisor
Sue Hill, Secy. to Committee

Conferees appearing before the committee:

Representative Ben Foster
Mr. Everett Willoughby, Exec. Secy. of Ks. Bd. of Pharmacy
Mr. Ken Schafermeyer, Exec. Secy. of Ks. Pharmacists Assoc.
Dr. Robert Harder, Secy. Dept. of Social Rehabilitation Services
Ms. Teresa Garcia, (NHCOA), National Hispanic Council on Aging
Ms. Suellen Weber, Ks. Department on Aging

See Visitor's register, (attachment No. 1.)

Chairman called meeting to order, and explained that due to time constraints he asked that all conferees try to be concise and to the point with their comments so that everyone who wishes to speak will have that opportunity. There is another meeting following this one at 3:00, so we are limited on time today.

Chair had committee note, (Attachment No. 2.) from Ks. Association of Rehabilitation Facilities in Newton, Ks. The conferees were unable to testify last week because of bad weather conditions, and Chair had agreed their printed testimony would be given to members to study before action was taken on HB 2018.

Further, Chair indicated there is printed testimony today for Mr. Harold Riehm, who is ill and unable to appear as a conferee as planned. His testimony (Attachment No. 3.) is in opposition to HB 2077.

Chair recognized Dr. Robert Harder, in order that he might request a bill to be introduced. Dr. Harder stated that the Services for the Blind, within the SRS would like to enter into contracts with Dept. of Transportation and vendors to put various kinds of vending machines at rest stops. The Services for the blind would receive the revenue. There would be a third party, the vending contractor who would service and supply the machines. There are still some legal aspects that need to be studied, Dr. Harder said, but in the interest of deadline for bills to be introduced, he asked that this request be favorably considered today. Rep. Friedeman moved this request be introduced, motion seconded by Rep. Williams, motion carried.

HB 2076

Chair recognized Rep. Foster, sponsor of HB 2076. Rep. Foster stated that Mrs. Correll had sufficiently explained the bill when briefing was held at yesterdays meeting, and it would serve to take some ambulatory surgical centers in the state out of a catch 22 situation if this bill is passed. This bill was a request from a Dr. Courtney Clark of Wichita, and he feels this is an important piece of legislation.

Mr. Everett Willoughby, Executive Secy. of Ks. State Board of Pharmacy stated he felt Ms. Correll's briefing was also excellent, and he had nothing more to add, other than their Board felt it is imperative that HB 2076 be passed. (Attachment No. 4.) shows his printed testimony. No questions followed his testimony.

Ken Schafermeyer, Exec. Director of Ks. Pharmacists Association spoke in support of HB 2076.

Hearings on HB 2076 closed.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON PUBLIC HEALTH AND WELFARE,room 423-S, Statehouse, at 1:30 A/M./P.M. on February 5, 1985

Rep. Foster then made a motion that HB 2076 be recommended for favorable passage, motion seconded by rep. Pottorff, motion carried.

HB 2077

Chair recognized Dr. Harder to speak to HB 2077. He prefaced his testimony on HB 2077 with an explanation of budget costs with charts, percentages, etc. It was a thorough explanation. (See Attachment No. 5, 5-A, 5-B) for details. Dr. Harder spoke to the support of HB 2077, saying this legislation would amend K.S.A. 65-1637 of the Kansas Pharmacy Practices Act. A generic drug is a product with active ingredients and strength identical to a brand name drug product, and this bill would mandate the exchange of the generic drug for brand drug if bioequivalent for all welfare recipients. Pharmacists are professional health care practitioners with specialized education, and their knowledge of pharmaceutical products is expert. They are qualified to select a bioequivalent generic product appropriate for brand exchange.

Passage of HB 2077 will require pharmacists to dispense, when available, the bio-equivalent generic drug products for prescriptions dispensed to SRS recipients. The increased utilization of bioequivalent generic products will lower total costs for prescribed drugs. The prescribing practitioner will continue to have the authority to prohibit brand exchange if it has been determined that a specific brand name product is medically necessary. The annual cost savings is estimated at \$850,000. He urged for passage of HB 2077. He then answered questions from committee, and Mr. Gene Hotchkiss, Pharmacy expert in SRS also answered questions.

Atch. 6
Ms. Teresa Garcia, National Hispanic Council on Aging, then spoke to HB 2077, saying their group feels the pharmacist should not be given the authority to exercise brand exchange for drugs for patients that are SRS health care recipients. They feel the creation of a two-tier health care system, one for the rich and another for the poor is unfortunate, and stated they are opposed to the amendment of HB 2077, specifically lines 0053 and 0069, and suggested these lines be stricken and the remainder of the bill left as it is. She then answered questions from committee.

Ms. Suellen Weber, Ks. Dept. on Aging then spoke to HB 2077, (see Attachment No. 7), for details of her testimony. She stated the position of the Dept. on Aging as, being in support of HB 2077 which would mandate pharmacists to fill Medicaid/MediKan prescriptions with generic drugs except where medically contraindicated. Further, they also suggest that the committee may wish to consider changing the phrase "may exercise brand exchange" in lines 37 and 38, to "shall exercise brand exchange", as appears in the SRS proposed amendment. This would guarantee that not only elderly Medicaid recipients, but all older Kansans, would receive a generic product unless otherwise specified. Ms. Weber then answered questions from committee.

Mr. Ken Schafermeyer of Ks. Pharmacists Assoc spoke to HB 2077, (see Attachment No. 8.) for details, and a chart that indicates increases in costs of prescription drugs. He stated their Association is opposed to HB 2077, and to any measure which would remove the Pharmacist's professional discretion by mandating generic brand exchange. Their reasons for opposing this bill are; line 54 where it removes any pharmacist discretion by stating the pharmacist "shall" exercise brand exchange. Failure to do so for any reason would be a violation of the Pharmacy Practice Act. To best accomplish the objectives necessary here, brand exchange laws should contain a provision for "permissive", not "mandatory" product selection. Kansas has such a law and it works very well. Mandatory substitution totally contradicts the traditional practices of health professionals which emphasize drug therapy specifically adapted to a patients's needs. HB 2077, as it reads would create a law that will be neither medically sound nor cost effective. Further, sound alternatives would be to embrace a proposed Senate Bill that would establish a Kansas Maximum Allowable Cost, (MAC) program for medicaid prescriptions. When both brand name and generic drugs are available, reimbursement would be limited to the generic level, and this would save the state an estimated \$1 million, plus. This is more than the savings estimated by SRS to be achieved in HB 2077. The Kansas Pharmacy Service Corporation is establishing a volume purchasing program which is aimed at lowering drug costs, and this too will serve to help in total cost savings programs.

Chair stated the committee would resume meeting tomorrow with Mr. Schafermeyer answering questions.

Meeting adjourned 3:00 p.m.

Date: 2-5-85

GUEST REGISTER

HOUSE

PUBLIC HEALTH AND WELFARE

PLEASE PRINT

NAME	ORGANIZATION	ADDRESS
Lori Class	United Way ^{Observer}	Home: 3217 Westover Rd Topeka
KEITH R LANDIS	CHRISTIAN SCIENCE COMMITTEE ON PUBLICATION FOR KANSAS	Topeka
J Schneider	SRS	Topeka
D. Hotchkiss	"	"
R. Hansen	SRS	Topeka
J. Hese	Hefner La Rule	Topeka
Teresa A. Garcia	National Hispanic Council on Aging	Topeka
Melanie Schneeweis	Intern	Topeka
Everett L. Wiloughby	Board of Pharmacy	Topeka
Sudlene Debo	KS Dept on Aging	Topeka
Tom Rickman	MARION LAB	KC Mo
Bill Dean	Merrell Dow	O.P. KS

Attn #1.
2-5-85

Attn #2
2-5-5



Kansas Association of Rehabilitation Facilities

TownCenter Building 120 West Sixth, Suite 110
Newton, KS 67114 316-284-2330

TO : House Committee on Public Health and Welfare
FROM: Kansas Association of Rehabilitation Facilities
RE : HB 2018 -
AN ACT CONCERNING THE KANSAS ACT AGAINST DISCRIMINATION
RELATING TO DISCRIMINATION BECAUSE OF A HANDICAP
DATE: January 30, 1985

1.0 Identity and purpose of Kansas Association of Rehabilitation Facilities (KARF).

1.1 KARF is an Association of thirty-one (31) Vocational and DD Community Rehabilitation Facilities throughout Kansas that annually serve over 8,000 disabled children 0-6 and adults, with a collective budget of approximately \$40 million, and five (5) Medical Rehabilitation Facilities that serve individuals who are physically and/or cognitively disabled as a result of trauma or disease.

1.2 KARF Member Facilities provide programs and services in the following program areas:

- 1) Individual and family support programs
- 2) Day activity and vocational programs
- 3) Community living programs
- 4) Children's services programs
- 5) Health programs.

2.0 Position Statement on HB 2018 - Additional Protection From Discrimination for the Handicapped.

2.1 KARF supports the inclusion of handicap as a factor upon which discrimination in housing, real estate lending and employment are prohibited.

2.2 KARF is in support of the terms "handicap" and "physical and mental impairment" being defined in law.

2.3 Even though the definition does not parallel the federal definition found in Section 504 of the Rehabilitation Act of 1973; the definition is a move in the right direction.

Attn. #2
2-5-5

3.0 Justification

3.1 The Bill provides the same rights to individuals who are handicapped as it provides for every other citizen of Kansas.

3.2 It clearly defines "handicap" and "physical and mental impairment."

Attn. # 3
2-5-5



Kansas Association of Osteopathic Medicine

TESTIMONY OF THE KANSAS ASSOCIATION OF OSTEOPATHIC MEDICINE ON H.B. 2077

Chairman Littlejohn and Members of the Committee:

My name is Harold Riehm and I am Executive Director of The Kansas Assn. of Osteopathic Medicine. For the 175 member physicians I represent, we express our opposition to H.B. 2077.

Osteopathic physicians are proud of the extent of services provided to those who are participants in the Medicaid and Medikan programs. Increasingly, however, new regulations are widening the gap between care available to such participants and those not on such programs.

We view this proposal--to require pharmacist brand exchange--as one additional step of this developing two-tiers of medical care.

Though there are osteopathic physicians who regularly permit brand exchange on their prescription forms, there are others that, for a variety of reasons, prefer certain prescriptions to be filled with the brands they indicate. In some instances it is because the physician and patient have long used that specific brand, and feel comfortable with it. In others, it may be that the physician has some reason to question the quality control used in the manufacture of the generic version. Or, it may be simply that the physician views prescribing as a critical part of the health care process and prefers not to entrust brand selection to a third party, for certain drugs.

Though H.B. 2077 does permit the provider to indicate that a specific brand name is medically necessary, it is unclear what form that would take, or how much physician time or "documentation" would be required.

Because of these feelings among our physician members, KAOM urges you to maintain the present system which permits the physician, by simple placement of signature, to permit brand exchange, but still maintains physician discretion when he or she chooses.

I close by stating that the minutes of this Committee's hearing on a similar bill last session, indicate that the Secretary of SRS planned to meet with prescribing providers and the pharmacy association to discuss differences regarding this proposal. I note that if such a meeting were held between sessions, the Kansas Association of Osteopathic Medicine was not so informed.

Attn. # 3
2-5-5

1325 TOPEKA BOULEVARD
TOPEKA, KANSAS 66612, (913) 234-5563
HAROLD E. RIEHM, EXECUTIVE DIRECTOR

*Attn. 4
2-5-5*

Kansas State Board of Pharmacy

503 KANSAS AVENUE, SUITE 328
P.O. BOX 1007
TOPEKA, KANSAS 66601
PHONE (913) 296-4056

STATE OF KANSAS



JOHN CARLIN
GOVERNOR

EVERETT L. WILLOUGHBY
EXECUTIVE SECRETARY
ROBERT E. DAVIS
BOARD ATTORNEY

TO: Members of the House Committee on Public Health and Welfare

DATE: February 5, 1985

RE: House Bill 2076

Mr. Chairman, Members of the Committee, my name is Everett Willoughby, Executive Secretary of the Kansas State Board of Pharmacy. I wish to thank the Committee for allowing me to appear to present testimony that House Bill 2076 is in the best interest of the public health and welfare, and to urge its passage.

House Bill 2076, if enacted by the Legislature, would amend K.S.A. 65-1648 and that portion of the Pharmacy Act relating to the distribution and control of prescription drugs in medical care facilities. A medical care facility, as defined in K.S.A. 65-425(h), "...means a hospital, ambulatory surgical center, or recuperation center." K.S.A. 65-1648(a), a copy of which you have in your file, specifically exempts ambulatory surgical centers from falling under the jurisdiction of the Kansas State Board of Pharmacy as to the distribution and control of prescription medication.

Since they are exempt by statute, the Board of Pharmacy has no authority to register ambulatory surgical centers, and the Federal Drug Enforcement Administration will not issue a DEA permit to these centers without a registration from the Board of Pharmacy. Acting on the Board of Pharmacy registration and recommendation, the Drug Enforcement Administration could then issue a DEA permit, and the ambulatory surgical centers could legally obtain controlled substances for use in surgery by all participating practitioners.

Several different controlled substances used by surgeons in the ambulatory surgical centers must be purchased using the DEA permit number of one of the surgeons, and this is contrary to Federal Regulations. This also has lead to much confusion and has resulted in an Inspector from the Board of Pharmacy

*Attn. #4
2-5-5*

Members of the House Committee on
Public Health and Welfare
February 5, 1985
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investigating the prescribing habits of the physician, since we also are notified by the Drug Enforcement Administration of possible excessive purchased of controlled substances by individuals.

HB 2076 will amend K.S.A. 65-1648(a) so that the Board of Pharmacy will have the authority to register ambulatory surgical centers, and the centers could then be operating within the confines of the Kansas Pharmacy Act and the Uniform Controlled Substances Act.

At the present, there are three known ambulatory surgical centers in Kansas. The original registration fee for medical care facilities is \$125.00, with an annual renewal fee of \$100.00.

The man hours necessary to inspect the small number of ambulatory surgical centers could be adequately handled by the present three Inspectors, so the additional cost to the Board would be minimal. In all probability, the cost to the Board of Pharmacy would be offset by the revenues generated by the registration of these centers.

ELW:arb

Attn. 4-a

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application blank shall not relieve said registrant or permittee from the penalty hereby imposed if the renewal is not made as prescribed.

History: L. 1953, ch. 290, § 31; L. 1962, ch. 37, § 5; L. 1967, ch. 342, § 4; L. 1974, ch. 252, § 4; L. 1975, ch. 319, § 31; L. 1979, ch. 195, § 1; L. 1979, ch. 196, § 1; L. 1982, ch. 263, § 4; July 1.

65-1646. Violations of act or rules and regulations; revocation or suspension of registration or permit. Any person violating any of the provisions of this act or any valid rule and regulation made under the authority conferred by this act, shall be guilty of a misdemeanor. Upon conviction, any person holding a registration or permit under the provisions of K.S.A. 65-1643 and amendments thereto, may have such registration or permit revoked or suspended.

History: L. 1953, ch. 290, § 34; L. 1967, ch. 342, § 5; L. 1975, ch. 319, § 34; L. 1982, ch. 262, § 4; July 1.

65-1647. Repeated violations of act or rules and regulations may be enjoined. The board may in its discretion, in addition to the remedies set forth in the preceding section, apply to the court having jurisdiction over the parties and subject matter for a writ of injunction to restrain repetitious violations of the provisions of the pharmacy act of the state of Kansas or violations of any valid rule and regulation made under the authority conferred by such act.

History: L. 1953, ch. 290, § 33; L. 1975, ch. 319, § 33; July 1.

65-1648. Medical care facilities; distribution and control of prescription medications; adult care homes, maintenance and use of emergency medication kit. (a) Any medical care facility pharmacy registered by the board may keep drugs in such facility and may supply drugs to its inpatients and outpatients. Distribution and control of prescription medications in a medical care facility pharmacy shall be under the supervision of a pharmacist in charge. A designated registered nurse or nurses approved by the pharmacist in charge and under the supervision of the pharmacist in charge shall be in charge of the distribution and control of drugs of a medical care facility pharmacy when a pharmacist is not on the premises. Drugs supplied to outpatients when a pharmacist is not on the premises shall be limited to the quantity necessary until a prescription can be filled. The provisions of this section shall not apply to ambulatory surgical centers.

(b) Nothing contained in this act shall be construed as prohibiting an adult care home which utilizes the services of a pharmacist, from maintaining an emergency medication kit approved by the adult care home's medical staff composed of a duly licensed practitioner and a pharmacist. The emergency medication kit shall be used only in emergency cases under the supervision and direction of a duly licensed practitioner, and a pharmacist shall have supervisory responsibility of maintaining said emergency medication kit.

(c) Every adult care home which maintains an emergency medication kit under subsection (b) shall comply with the following requirements:

(1) Drugs in an emergency medication kit shall be maintained under the control of the pharmacist in charge of the pharmacy from which the kit came until administered to the patient upon the proper order of a practitioner.

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(2) Drugs contained within the emergency medication kit may include controlled substances, but in such case a pharmaceutical services committee shall be responsible for specifically limiting the type and quantity of controlled substance to be placed in each emergency kit.

(3) Administration of controlled substances contained within the emergency medication kit shall be in compliance with the provisions of the uniform controlled substances act.

(4) The consultant pharmacist of the adult care home shall be responsible for developing procedures, proper control and accountability for the emergency medication kit and shall maintain complete and accurate records of the controlled substances, if any, placed in the emergency kit. Periodic physical inventory of the kit shall be required.

(d) (1) The state department of health and environment, any county, city-county or multicounty health department and any private not-for-profit family planning clinic, when registered by the board, may keep drugs for the purpose of distributing drugs to patients being treated by that health department or family planning clinic. Distribution and control of prescription medications in a health department or family planning clinic shall be under the supervision of a pharmacist in charge. A designated registered nurse or nurses approved by the pharmacist in charge shall be in charge of distribution and control of drugs in the health department or family planning clinic under the supervision of the pharmacist in charge when a pharmacist is not on the premises. Drugs supplied to patients when a pharmacist is not on the premises shall be limited to the quantity necessary to complete a course of treatment as ordered by the practitioner supervising such treatment.

(2) The board shall adopt rules and regulations relating to specific drugs to be used, to record-keeping and to storage of drugs by health departments or family planning clinics as are necessary for proper control of drugs.

History: L. 1953, ch. 290, § 34; L. 1967, ch. 342, § 5; L. 1975, ch. 319, § 34; L. 1982, ch. 262, § 5; July 1.

Cross References to Related Sections:

Adult care homes, see 39-923 et seq.

Medical care facilities, licensing, inspection and regulation, see 65-425 et seq.

65-1649. Invalidity of part. If any clause, sentence, paragraph, section or part of the pharmacy act of the state of Kansas or the application thereof to any person or circumstances shall for any reason be adjudged by any court of competent jurisdiction to be unconstitutional or invalid, such judgment shall not affect, impair or invalidate the remainder thereof, and the application thereof to other persons or circumstances, but shall be confined in its operation to the clause, sentence or paragraph, section or part thereof involved in the controversy, in which such judgment shall have been rendered and to the person or circumstances involved. It is hereby declared to be the legislative intent that such act would have been enacted had such unconstitutional or invalid provisions not been included.

History: L. 1953, ch. 290, § 35; L. 1967, ch. 342, § 6; L. 1975, ch. 319, § 45; July 1.

Attn. #5
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STATE DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

TESTIMONY IN SUPPORT OF HOUSE BILL 2077
PUBLIC HEALTH AND WELFARE COMMITTEE

Mr. Chairman, Members of the Committee, I am appearing today to express the support of the Kansas Department of Social and Rehabilitation Services for passage of House Bill 2077. This proposed legislation would amend K.S.A. 65-1637 of the Kansas Pharmacy Practices Act.

Drug product costs comprise the majority of Social and Rehabilitation Services expenditures for the purchase of pharmacy services for recipients of the Kansas Medicaid/MediKan program. In fiscal year 1984, drug product cost comprised 72% of the total 18 million dollar expenditure for pharmacy program services. The remaining 28% of reimbursement was for pharmacy provider dispensing fees. Drug product cost represented 66% of total expenditures in fiscal year 1981. Pharmacy dispensing fees have increased an average of only 5.6% per year over the past five years. Drug product cost per prescription has increased at an average annual rate of 16.5%. While the number of pharmacy recipients and number of prescriptions per recipient continue to decrease, the drug product costs continue to rise at a rapid rate. The severe escalation of drug product costs is the critical element in efforts to contain pharmacy program expenditures.

A generic drug is a product with active ingredients and strength identical to a brand name drug product. Generic products that are bioequivalent are expected to have the same therapeutic effect as a brand name product when administered to patients for treatment of conditions appropriate for their use.

Pharmacists are professional health care practitioners with specialized education. Their knowledge of pharmaceutical products is expert. They are knowledgeable of available reference as resources and are qualified to select a bioequivalent generic product appropriate for brand exchange.

Currently K.S.A. 65-1637 of the Pharmacy Practices Act permits pharmacists to exercise, at their discretion, brand exchange or the dispensing of bioequivalent generic drug products in exchange for a prescribed brand name drug to reduce costs to the purchaser. The prescribing practitioner may prohibit such brand exchange by expressing that the prescription order is to be dispensed specifically as prescribed.

It is unknown what percentage of prescriptions in the Kansas Medicaid/MediKan program are ordered by brand name and what percentage further prohibit brand exchange. It is known, however, that the majority of prescriptions dispensed to Medicaid/MediKan program recipients for which there are bioequivalent generic drugs available are dispensed as the more costly brand name products. Thus, it would appear that under the present statute, physicians are either prohibiting brand exchange or pharmacists are electing not to exercise brand exchange, or both.

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Passage of this bill will require pharmacists to dispense, when available, bioequivalent generic drug products for prescriptions dispensed to Social and Rehabilitation Services recipients. The increased utilization of bioequivalent generic products will lower total costs for prescribed drugs. The restriction of brand exchange to products determined bioequivalent by the federal Food and Drug Administration assures that the quality of care received is equal to that provided with a brand name product. The prescribing practitioner will continue to have the authority to prohibit brand exchange and the use of a bioequivalent generic drug for a given prescription order if it has been determined that a specific brand name product is medically necessary. The prescriber will complete and sign in conjunction with the original prescription order a separate form which will indicate the medical necessity of dispensing a brand name product rather than a bioequivalent generic. The medical necessity form will be developed by the Department of Social and Rehabilitation Services and distributed to providers of service. The dispensing pharmacist will maintain a copy of this form, when appropriate, with the original prescription order record.

The Department of Social and Rehabilitation Services urges passage of this proposed legislation. The increased utilization of bioequivalent generic products will reduce program expenditures without reduction in the quality and scope of services and care provided.

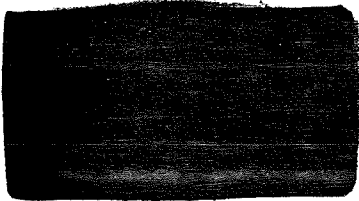
In conclusion, we recognize that this bill will be construed as an infringement upon the physicians' method of practice. To resolve this, we have improved this bill from its introduction in the last session. We are proposing to allow a physician override if the unique benefits of a particular brand name drug for a given patient are medically documented. This legislation is proposed as an alternative to the elimination of coverage for whole groups of drugs, such as anti-arthritic drugs, ulcer medications and other essential pharmacy products. We continue to strive for administrative remedies such as this one to contain expenditures for prescribed drugs.

The annual program cost avoidance associated with this proposed legislation is estimated at \$850,000.

Robert C. Harder
Office of the Secretary
Social and Rehabilitation Services
296-3271
January 10, 1985

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atm: 5-a
2-5-5

A large graphic of a book cover with a white spine and a dark, rounded front cover. The text is printed in white on the dark cover.

**Your
Money
Saving
Guide...**

**Generic
Prescription
Drugs
You Can
Trust!**



K **GENERIC DRUGS** **Quality and Economy**

Are you still paying too much money for the prescription drugs you need?

You probably are, if your prescription has been filled using a brand name drug when a Generic Equivalent Drug is available... And that's not just idle chatter!

The Federal Trade Commission came to that conclusion in a study of prescription drug prices in 1981. That study confirmed what five different Food and Drug Administration Commissioners had said earlier. All were doctors or pharmacists and all indicated that Generic Equivalent Drugs were just that. They are drugs made by reputable manufacturers, equivalent in quality, but at reduced prices to the consumer.

When you order Generic Prescription Drugs from your AARP Pharmacy, you're getting a **QUALITY DRUG** at a **REDUCED PRICE**.

The money you save (you'll be amazed at the big differences you'll see in the following lists) is money in your pocket.

I'm sure you have better ways to spend your money than giving too much of it away.

Please read the questions most members ask the AARP Pharmacy. Then look at the answers. Think about those answers while you review the list of brand name and Generic Name Drugs and compare the difference in price between the two. The price difference will amaze you and please your pocketbook.

And I hope you will start taking advantage of the money savings that your AARP Pharmacy can provide the next time you need to order a prescription drug.

Q. WHAT IS A GENERIC EQUIVALENT DRUG?

A. Prescription (Rx) Drugs all have two names. One is assigned to the drug maker and is easy for your Doctor to remember. It's a trade-marked name that no one else can use.

The other is the Chemical or Generic name. Anyone can use this name.

Q. WHO MAKES "GENERIC" DRUGS?

A. Since all drugs have "GENERIC" names, you could say that all drug companies make Generic Drugs. Some also put their trademarked name on the drug, too. (And when they advertise the drug to your doctor, you pay for the advertising in the higher price charged for the brand name drug.)

Some drug companies only use the "Generic" name. They don't advertise to doctors and the price for their drugs is lower.

However, please know this. All drug companies in the U.S. must comply with the **same** drug manufacturing standards.

Q. ARE ALL Rx DRUGS AVAILABLE AS A LOW PRICE GENERIC EQUIVALENT?

A. No. Only about 25% of the Rx Drugs available today are also available as low cost Generic Equivalent Drugs. The companies that make brand name Rx Drugs are involved in costly research and development (R&D) of new Rx Drugs to make your life more comfortable. New drugs are patented by the Federal Government and that patent lasts for 17 years. This

lets the drug companies recover their costs in the price they charge for drugs and encourages them to keep looking for more drugs to help you.

When the patent expires, other drug companies can make the drug. Since they have no R&D costs to recover, the price of the drug usually becomes lower for you.

Q. HOW CAN I ORDER LOW COST GENERIC EQUIVALENT DRUGS WHEN I GET MY PRESCRIPTION FILLED?

A. Some states permit your AARP Pharmacist to dispense Generic Drugs (if available) if **YOU** request it. Some states **require** your AARP Pharmacist to dispense Generic Drugs (if available). **SOME STATES REQUIRE DOCTOR APPROVAL.**

Your AARP Pharmacist will fill your prescription with a generic drug (if available) if you and your doctor request and where state law permits. Some state laws still make the dispensing of generic drugs difficult when your doctor prescribes by brand name. Ask your doctor to prescribe using the generic name. That way, you'll be sure to get the lower priced generic drug if it's available.

Q. HOW MUCH MONEY WILL I SAVE IF I ORDER GENERIC EQUIVALENT Rx DRUGS?

A. That's a question only you can answer. Our price list for Generic Drugs is included in this brochure. And the price quoted for our top quality Generic Drugs is guaranteed until January 31, 1985. Compare for yourself or return the price quote coupon (on the back page) to us. We'll give our low member price for the brand name drug you use **AND** our special low price for the Generic Equivalent drug.

Q. I'VE NEVER ORDERED Rx DRUGS BY MAIL BEFORE. IS IT EASY TO DO?

A. Millions of AARP Members have been ordering Rx Drugs by mail since 1959. All you have to do is get a new, written prescription from your doctor and mail it to the AARP Pharmacy that serves your state.

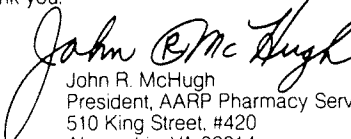
It will be filled promptly, safely packaged and shipped back to you, postage paid.

You won't have to pay for your prescription until you get it. (An invoice and payment slip will be enclosed).

And if your drug is one of the starred (*) drugs in this brochure, we'll also include a drug leaflet that talks about your drug. These leaflets have been designed with AARP Members in mind.

I urge you to consider your AARP Pharmacy the next time you need a prescription. You'll be glad you did when you see just how much money we can save you.

And that's the reason the AARP Pharmacy Service began back in 1959. Thank you.


John R. McHugh
President, AARP Pharmacy Service
510 King Street, #420
Alexandria, VA 22314



Your Average Saving is more than 50% on this list of 148 generic prescription drugs. (Compared to the price for the brand name drug.)

Brand Name Generic Name	Form	Strength	Price Per 100
Achromycin V Tetracycline	Caps Caps	250mg 250mg	\$ 8.50 3.08
* Aldactazide Spironolactone w/HCTZ	Tab Tab		20.10 9.20
* Aldactone Spironolactone	Tab Tab	25mg 25mg	20.05 9.00
Aminophylline (Generic)	Tab	100mg	1.75
Aminophylline (Generic)	Tab	200mg	2.40
Amoxicillin (Generic)	Caps	250mg	12.35
Amoxicillin (Generic)	Caps	500mg	23.25
* Ampicillin (Generic)	Caps	250mg	7.95
* Ampicillin (Generic)	Caps	500mg	14.95
Antivert	Tab	12.5mg	13.70
Meclizine	Tab	25mg	2.98
Antivert	Tab	25mg	20.70
Meclizine	Tab	25mg	3.60
Anturane	Caps	200mg	27.70
Sulfapyrazone	Caps	200mg	18.10
Apresazide 25/25 Hydralazine 25mg/HCTZ 25mg			18.35 12.00
Apresazide 50/50 Hydralazine 50mg/HCTZ 50mg			25.40 18.35
* Apresoline Hydralazine	Tab Tab	10mg 10mg	8.25 2.30
* Apresoline Hydralazine	Tab Tab	25mg 25mg	11.75 3.15
* Apresoline Hydralazine	Tab Tab	50mg 50mg	17.45 4.00
Aristocort Triamcinolone	Tab Tab	4mg 4mg	65.75 7.00
* Arlidin Nylidrin	Tab Tab	6mg 6mg	25.60 3.20
* Arlidin Nylidrin	Tab Tab	12mg 12mg	37.55 4.00
Artane	Tab	2mg	6.55
Trihexyphenidyl	Tab	2mg	2.15
Artane	Tab	5mg	12.95
Trihexyphenidyl	Tab	5mg	2.75
Atarax	Tab	10mg	21.65
Hydroxyzine HCl	Tab	10mg	9.25
Atarax	Tab	25mg	29.85
Hydroxyzine HCl	Tab	25mg	15.00
Atarax	Tab	50mg	36.55
Hydroxyzine HCl	Tab	50mg	17.50
Azo Gantrisin	Tab		13.45
Azo-Sulfisoxazole	Tab		8.50
Azulfidine	Tab	500mg	13.30
Sulfasalazine	Tab	500mg	6.50

Brand name prices effective until 1/31/85

Brand Name Generic Name	Form	Strength	Price Per 100
Benadryl Diphenhydramine	Caps Caps	50mg 50mg	11.60 3.15
* Benemid Probenecid	Tab Tab	500mg 500mg	14.95 6.50
Bentyl	Caps	10mg	8.95
Dicyclimine	Caps	10mg	3.40
Bentyl	Tab	20mg	11.95
Dicyclimine	Tab	20mg	4.00
Bentyl w/Phenobarb.	Caps	10mg	17.15
Dicyclimine w/Pb.	Caps	10mg	4.00
Bentyl w/Phenobarb.	Tab	20mg	21.80
Dicyclimine w/Pb.	Tab	20mg	4.60
Choledyl	Tab	200mg	10.80
Oxtriphylline	Tab	200mg	6.80
Combid	Caps		35.95
Prochlorperazine w/Isopropamide	Caps		9.95
Compazine	Tab	10mg	28.80
Prochlorperazine	Tab	10mg	12.65
Compazine	Tab	25mg	35.95
Prochlorperazine	Tab	25mg	14.20
* Cyclospasmol	Caps	200mg	15.20
Cyclandelate	Caps	200mg	4.80
* Cyclospasmol	Caps	400mg	25.10
Cyclandelate	Caps	400mg	5.80
Cytomel	Tab	25mcg	6.80
Liothyronine	Tab	25mcg	3.95
Cytomel	Tab	50mcg	10.30
Liothyronine	Tab	50mcg	5.50
* Decadron	Tab	0.75mg	27.10
Dexamethasone	Tab	0.75mg	7.70
Diamox	Tab	250mg	15.95
Acetazolamide	Tab	250mg	6.95
Dimetane	Tab	8mg	10.75
Brompheniramine	Tab	8mg	3.95
Dimetane	Tab	12mg	14.80
Brompheniramine	Tab	12mg	4.95
Diupres 250mg Chlorothiazide 250mg w/Reserpine 0.125mg	Tab		12.35 4.70
* Diuril	Tab	250mg	6.00
Chlorothiazide	Tab	250mg	3.65
* Diuril	Tab	500mg	9.50
Chlorothiazide	Tab	500mg	5.70
* Donnatal	Tab		4.35
Belladonna Alkaloids w/Pb.	Tab		1.95
* Donnatal	Caps		5.55
Belladonna Alkaloids w/Pb.	Caps		2.35
Elavil	Tab	10mg	7.40
Amitriptyline	Tab	10mg	3.70

Generic name prices effective until 1/31/85

Brand Name	Form	Strength	Price Per 100
Generic Name			
Elavil	Tab	50mg	25.35
Amitriptyline	Tab	50mg	6.00
Enduron	Tab	2.5mg	12.20
Methyclothiazide	Tab	2.5mg	8.80
Esidrix (See Hydrodiuril)			
Furadantin	Tab	50mg	17.75
Nitrofurantoin	Tab	50mg	3.82
Furadantin	Tab	100mg	31.65
Nitrofurantoin	Tab	100mg	4.95
Gantanol	Tab	0.5gm	20.80
Sulfamethoxazole	Tab	0.5gm	7.15
Gantrisin	Tab	0.5gm	9.95
Sulfisoxazole	Tab	0.5gm	3.95
Hydergine (Oral)	Tab	1mg	25.44
Ergoloid Mesylate (Oral)	Tab	1mg	14.75
Hydergine S.L.	Tab	0.5mg	17.55
Ergoloid Mesylate S.L.	Tab	0.5mg	8.75
Hydergine S.L.	Tab	1.0mg	29.70
Ergoloid Mesylate S.L.	Tab	1.0mg	15.50
Hydrodiuril	Tab	25mg	6.00
Hydrochlorothiazide	Tab	25mg	2.80
Hydrodiuril	Tab	50mg	9.00
Hydrochlorothiazide	Tab	50mg	2.95
Hydrodiuril	Tab	100mg	17.00
Hydrochlorothiazide	Tab	100mg	3.35
Hydropres-25	Tab		12.35
Hydrochlorothiazide 25mg w/Reserpine 0.125mg	Tab		3.00
Hydropres-50	Tab		19.30
Hydrochlorothiazide 50mg w/Reserpine 0.125mg	Tab		3.15
Hygroton	Tab	25mg	19.30
Chlorthalidone	Tab	25mg	9.50
Hygroton	Tab	50mg	22.50
Chlorthalidone	Tab	50mg	9.85
Generic Isoniazid	Tab	300mg	2.25
Isordil	Tab	5mg	8.20
Isosorbide Oral	Tab	5mg	2.75
Isordil	Tab	10mg	9.85
Isosorbide Oral	Tab	10mg	2.95
Isordil	Tab	20mg	15.45
Isosorbide Oral	Tab	20mg	4.20
Isordil	Tab	40mg	18.70
Isosorbide Oral	Tab	40mg	6.00

Brand name prices effective until 1/31/85

Brand Name	Form	Strength	Price Per 100
Generic Name			
* Isordil S.L.	Tab	2.5mg	7.60
Isosorbide S.L.	Tab	2.5mg	2.70
K-Lyte 25mEq Eff.	Tab		30.15
Potassium 25mEq Eff.	Tab		15.95
	Tab	4mg	9.00
	Tab	4mg	7.00
* Lasix	Tab	20mg	8.95
Furosemide	Tab	20mg	5.45
	Tab	40mg	11.00
	Tab	40mg	5.90
Mandelamine	Tab	0.5gm	10.55
Methanamine Mandelate	Tab	0.5gm	3.00
Mandelamine	Tab	1.0gm	16.00
Methanamine Mandelate	Tab	1.0gm	4.15
Marax	Tab		17.60
Hydroxyzine, Ephed. & Theophylline	Tab		5.95
	Tab	400mg	15.00
	Tab	400mg	10.00
* Motrin	Tab	600mg	17.90
Ibuprofen	Tab	600mg	14.55
Mycobanin Oral	Tab	500,000 units	30.00
Hydroxycarbonyl	Tab	500,000 units	10.00
Mysoline	Tab	250mg	13.95
Primidone	Tab	250mg	5.20
	Tab	4mg	2.00
	Tab	4mg	5.00
Nicobid	Caps	250mg	23.70
Niacin T.D.	Caps	250mg	3.50
Nitrobid	Caps	2.5mg	16.00
Nitroglycerine T.D.	Caps	2.5mg	4.00
Nitrobid	Caps	6.5mg	19.50
Nitroglycerine T.D.	Caps	6.5mg	5.50
Orinase	Tab	0.5gm	14.00
Tolazamide	Tab	0.5gm	10.00
Parafon Forte	Tab		26.35
Chlorzoxazone & APAP	Tab		4.95
Parvabid	Caps	150mg	12.50
Penicillin T.D.	Caps	150mg	4.00
Generic Penicillin G	Tab	200,000 units	2.50
Penbid	Tab	400,000 units	10.00
Penicillin G	Tab	400,000 units	3.00
Pen Vee K	Tab	250mg	12.75
Penicillin V K	Tab	250mg	5.50
Periactin	Tab	4mg	18.00
Cyproheptadine	Tab	4mg	7.00

Brand name prices effective until 1/31/85

Brand Name Generic Name	Form	Strength	Price Per 100
Peritrate	Tab	10mg	\$ 7.35
PETN	Tab	10mg	1.85
Peritrate	Tab	20mg	9.70
PETN	Tab	20mg	2.15
Peritrate S.A.	Tab	80mg	23.00
PETN S.A.	Tab	80mg	6.95
* Persantine	Tab	25mg	13.60
Dipyridamole	Tab	25mg	4.95
* Persantine	Tab	50mg	21.55
Dipyridamole	Tab	50mg	7.95
* Persantine	Tab	75mg	29.00
Dipyridamole	Tab	75mg	10.95
Phenergan	Tab	12.5mg	8.80
Promethazine	Tab	12.5mg	2.75
Phenergan	Tab	25mg	15.50
Promethazine	Tab	25mg	3.75
* Polycillin	Caps	250mg	18.95
Ampicillin	Caps	250mg	7.95
* Polycillin	Caps	500mg	31.05
Ampicillin	Caps	500mg	14.95
* Generic Prednisone	Tab	5mg	2.45
Premarin	Tab	0.625mg	11.95
Conjugated Estrogens	Tab	0.625mg	6.50
Premarin	Tab	1.25mg	15.95
Conjugated Estrogens	Tab	1.25mg	7.95
Premarin	Tab	2.5mg	26.95
Conjugated Estrogens	Tab	2.5mg	15.00
Probanthine	Tab	15mg	23.20
Propranthine	Tab	15mg	3.15
* Pronestyl	Caps	250mg	16.15
Procainamide	Caps	250mg	4.60
* Pronestyl	Caps	375mg	24.15
Procainamide	Caps	375mg	5.75
* Pronestyl	Caps	500mg	28.65
Procainamide	Caps	500mg	6.50
Quinaglute Duratabs		324mg	31.65
Quinidine Gluconate SR		324mg	19.95
* Quinora (5 gr)	Tab	300mg	19.50
Quinidine Sulfate (5 gr)	Tab	300mg	14.50
Raudixin	Tab	50mg	17.75
Rauwolfia Serpentina	Tab	50mg	2.70
Raudixin	Tab	100mg	27.75
Rauwolfia Serpentina	Tab	100mg	3.15
Robaxin	Tab	500mg	15.85
Methocarbamol	Tab	500mg	4.95
Robaxin-750	Tab	750mg	21.40
Methocarbamol	Tab	750mg	5.95
Robaxisal	Tab		17.20
Methocarbamol w/Aspirin	Tab		5.00

Generic name prices effective until 1/31/85

Brand Name Generic Name	Form	Strength	Price Per 100
* Ser-Ap-Es	Tab		\$18.95
H.R.H.	Tab		3.75
* Serpasil	Tab	0.25mg	5.25
Reserpine	Tab	0.25mg	2.45
Soma	Tab	350mg	33.25
Carisoprodol	Tab	350mg	7.50
Sorbitrate Tabs (See Isordil)			
Stelazine	Tab	1mg	20.60
Trifluoperazine	Tab	1mg	10.95
Stelazine	Tab	2mg	27.50
Trifluoperazine	Tab	2mg	16.50
Stelazine	Tab	5mg	32.60
Trifluoperazine	Tab	5mg	18.75
Stelazine	Tab	10mg	45.80
Trifluoperazine	Tab	10mg	21.50
* Synthroid	Tab	0.1mg	5.55
Levothyroxine	Tab	0.1mg	2.15
* Synthroid	Tab	0.15mg	6.65
Levothyroxine	Tab	0.15mg	2.35
* Synthroid	Tab	0.2mg	7.95
Levothyroxine	Tab	0.2mg	2.45
Generic			
Tetracycline	Caps	250mg	3.05
Thorazine	Tab	25mg	13.55
Chlorpromazine	Tab	25mg	3.40
Thorazine	Tab	50mg	16.65
Chlorpromazine	Tab	50mg	3.75
Tofranil	Tab	10mg	12.65
Imipramine	Tab	10mg	3.55
Tofranil	Tab	25mg	20.35
Imipramine	Tab	25mg	4.50
Tofranil	Tab	50mg	31.60
Imipramine	Tab	50mg	5.45
Trinsicon	Caps		21.00
Hematinic w/ Intrinsic Factor	Caps		5.45
Urecholine	Tab	10mg	27.70
Bethanecol	Tab	10mg	5.50
Urecholine	Tab	25mg	39.40
Bethanecol	Tab	25mg	6.00
Vasodilan	Tab	10mg	22.75
Isoxsuprine	Tab	10mg	8.15
Vasodilan	Tab	20mg	31.95
Isoxsuprine	Tab	20mg	9.70
* Zylorim	Tab	100mg	9.95
Allopurinol	Tab	100mg	8.60
* Zylorim	Tab	300mg	23.75
Allopurinol	Tab	300mg	16.75

All prices listed are for Quantity of 100 unless otherwise stated.
For quantity less than 100, prorate price and add 60c.

THIS COUPON MAY BE REDEEMED AT ANY OF THE AARP PHARMACIES LISTED BELOW.

OREGON RETIRED PERSONS PHARMACY
P.O. Box 2755
Portland, OR 97208
For Members in -
OR, WA, AK, HI, ID, MT, WY,
CO & NORTHERN CA ZIPS 94000-96139

FLORIDA RETIRED PERSONS PHARMACY
6500 34th Street North
P.O. Box 14417
St. Petersburg, FL 33733
For Members in -
FL, MS, AL, GA, SC, NC, TN

PENNSYLVANIA RETIRED PERSONS
PHARMACY
450 York Road
P.O. Box C5020
Warminster, PA 18974
For Members in - PA, MD, DE, DC, NJ &
WESTERN NY ZIPS 13000 & UP

INDIANA RETIRED PERSONS PHARMACY
3557 Lafayette Road
P.O. Box 7010
Indianapolis, IN 46272
For Members in -
IN, MI, IL, OH, KY, WV, VA

NEVADA RETIRED PERSONS PHARMACY
5947 Boulder Highway
P.O. Box 18422
Las Vegas, NV 89114
For Members in - NV, AZ, UT & SOUTHERN
CALIFORNIA ZIPS 90001-93999

RETIRED PERSONS PHARMACY OF TEXAS
5050 East Belknap
P.O. Box 14869
Fort Worth, TX 76117
For Members in - TX, LA, AR, OK & NM

MISSOURI RETIRED PERSONS PHARMACY
3823 Broadway
P.O. Box 1444
Kansas City, MO 64141
For Members in -
MO, KS, NB, SD, ND, MN, WI, IA

**WALK-IN Facilities located in
AARP Headquarters Buildings-**
RETIRED PERSONS PHARMACY
1909 K Street N.W.
Washington, D.C. 20049
For Washington D.C. Metropolitan Area

AARP PHARMACY
701 Main Street
East Hartford, CT 06167
For Members in - CT, RI, MA, VT, NH, ME
EASTERN NY ZIP 10000-12999

CALIFORNIA RETIRED PERSONS
PHARMACY
201 Long Beach Blvd.
Long Beach, CA 90802
For Long Beach Area

★ NEW GENERIC PRODUCTS ★

NOW AVAILABLE

INDOMETHACIN 25mg & 50mg
(SAME AS INDOCIN)

AVAILABLE NOVEMBER 1ST

CHLORPROPAMIDE 100mg & 250mg
(SAME AS DIABENESE)

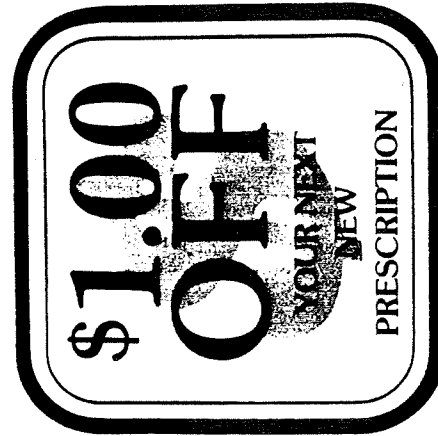
**PLEASE CONTACT YOUR LOCAL
AARP PHARMACY
AND SEE HOW MUCH YOU CAN SAVE**

**SAVE \$1.00 ON YOUR
NEXT NEW PRESCRIPTION**

Mail this coupon attached to a new
prescription from your doctor to the AARP
Pharmacy that serves your state.

We'll deduct \$1.00 from your invoice and mail
the prescription to you — Postage Paid.

**MAIL YOUR PRESCRIPTION TODAY
THIS COUPON EXPIRES 6/30/85**



This coupon may be redeemed at any of the AARP Pharmacies listed



1984 CATALOG

REPLACES ALL PREVIOUS CATALOGS

See pg. 2

attn. # 5-B

2-5-5



Bulletin

Dear New AARP Member:

Welcome to the AARP Pharmacy Service. I'm anxious to tell you about this benefit of AARP Membership. It's a very special service that provides prescriptions and health care products by mail. That's right, by mail. It's a service we have provided for 25 years to millions of AARP members just like you. And it's a service that becomes available to you at just the right time. AARP members found that their costs for Prescriptions and other drug products like pain pills and vitamins became higher in their pre-retirement and retirement years. So in 1959, the AARP Pharmacy Service was started to try to control these costs. It worked. Today, the AARP Pharmacy Service is the LARGEST, PRIVATE MAIL-SERVICE PHARMACY in the world.

I would like to introduce you to our service... To show you how well it works. So I have asked our Registered Pharmacist Store Managers to do this. To deduct \$5.00 from your first order, if it totals \$15 or more. This special "First-Timer" Discount offer expires on July 31, 1984, so please order today. To take advantage of the offer, please use the special "First-Timer" order form on the back of this catalog. Deducting \$5.00 from your first order is almost like getting a refund on your first year dues. So why not look through your new catalog today. And mail us your order. All of us at the AARP Pharmacy Service look forward to serving you.

Sincerely,

John R. McHugh
John R. McHugh
President
AARP Pharmacy Service

P.S. Whether you take advantage of our \$5.00 OFF offer or not, you should ask for a price quote on prescription drugs your family may use. There's no obligation but you won't know how much you can save until you ask.

attn. 5-B
2-5-5



GOOD NEWS

About Prescription Drug Prices

AARP Members Save \$4,000,000 on Just 6 Prescription Drugs in 1983!

Alexandria, Virginia, January 1. Results of a prescription price survey for 1983 indicate that AARP Pharmacy Service customers saved more than \$4,000,000 on just 6 different prescription drugs. The savings came about because **GENERIC EQUIVALENT DRUGS WERE REQUESTED**, instead of the **BRAND NAME** Drugs that compared. Based on AARP Pharmacy Service prices for Hydrodiuril, Persantine, Isordil, Aldactazide, Lasix, & Motrin and the **GENERIC EQUIVALENT DRUGS** Hydrochlorothiazide, Dipyridamole, isosorbide, Spironolactone + Hydrochlorothiazide, Furosemide, & Ibuprofen, the difference for one years usage exceeded four million dollars! AARP Pharmacy President, John McHugh, said member savings would probably be much greater if compared to **BRAND NAME DRUG PRICES** locally. A 1983 California Survey was cited.

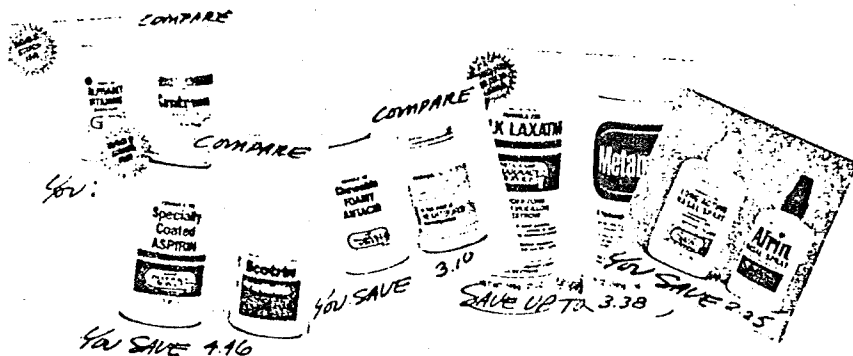
GOOD NEWS

About Non-Prescription Drug Prices

AARP Members Save \$17.98 on 5 AARP Brands

Alexandria, Virginia, January 1. A survey of 5 AARP Brand Products prices and the prices of the **NATIONALLY ADVERTISED BRANDS** that compared showed a savings of \$18.19 when AARP Brands were chosen. If Afrin 30ml, Centrum 100, Ecotrin 250, Gaviscon 100 and Metamucil 21oz. had been purchased, the AARP Pharmacy price would have been \$35.32. Since Formula 335, 30ml; Formula 358, 100; Formula 285, 250; Formula 247,

100; and Formula 235, 21oz. was purchased instead, the price was only \$17.33. That's a savings of \$17.98, more than 50%. Pharmacy Service President John McHugh says this proves the value of comparison shopping. He urges all AARP Members to always compare prices for Private Label Products (**ESPECIALLY AARP BRANDS**). The difference is money in AARP Members pockets.



100	Centrum	\$9.29	100	Formula #358	\$4.29
250	Ecotrin	\$8.33	250	Formula #285	\$3.87
100	Gaviscon	\$5.99	100	Formula #247	\$2.89
21oz	Metamucil	\$8.37	21oz	Formula #235	\$4.99
30ml	Afrin	\$4.09	30ml	Formula #335	\$1.84
		\$36.07			\$17.88

Save \$18.19 = 50%

GOOD NEWS

About other AARP Membership Benefits

The AARP Pharmacy Service is just ONE of MANY benefits of your membership in AARP. To take full

advantage of your membership we would like to mail you a brochure entitled "PURCHASE PRIVILEGE PROGRAM". It details special Hotel, Motel, Car Rental and Bus Travel Discounts that can be yours. If you would like to know more about these discounts, please write to:

AARP Purchase Privilege Program
P.O. Box 2400
Long Beach, CA 90801



NHCA

attm. # ~~4~~ # 4
THE NATIONAL HISPANIC COUNCIL ON AGING
KANSAS CHAPTER

NATIONAL HISPANIC COUNCIL ON AGING

Testimony on House Bill 2077

An Act Concerning Prescriptions for Drugs

Presented To The
House Public Health and Welfare Committee
State Capitol, Room 423 S
Topeka, Kansas

February 5, 1985

Professionals and Service Providers Working
Together to Insure the Best for our Elderly

attm. # 6.
2-5-5

Good afternoon, Chairman Littlejohn and members of the House Public Health and Welfare Committee. My name is Teresa Garcia and I am a student at the Washburn University School of Law. I am here today as a representative of the National Hispanic Council on Aging which is a non-profit organization that serves the advocacy needs of the Hispanic community, especially the elderly and disadvantaged.

One of the goals of this organization is to advocate equal access to the health care system by all American citizens. We feel that it is very unfortunate that we must come before this body once again to express our opposition to proposed legislation which essentially creates a two-tier health care system in the State of Kansas: one for the rich and one for the poor.

Why should a pharmacist be given the discretion to exercise brand exchange when filling prescriptions for paying customers and directed to make such exchange when the purchaser is a SRS health care recipient? The poor person has no choice but to have his/or her prescription substituted with a generic name drug unless the prescribing physician completes an additional form provided by the Secretary of Social and Rehabilitative Services. The pharmacist must then maintain this form with ~~pre~~scription records for a period of five years. Overall, the procedure provided by this exception imposes burdens on both the prescriber and the pharmacist which will nonetheless result in the poor and elderly almost always receiving generic name drugs.

It is commendable that the Secretary of SRS seeks to curb health care costs and balance his budget, but to do so in a manner which relegates the poor and elderly to a second class status is unfair.

An example will illustrate the consequences of the proposed HB 2077. Imagine the elderly person who has depleted all of his or her life savings on health and personal care and is now on a fixed income such as social security or other public assistance programs. That elderly person who always purchased the drug specifically prescribed for treatment by a physician, now must accept generic drugs that may not have proven records of healing and which may have dubious quality of care control when manufactured. Regardless of our income and resources, we are all residents of Kansas and should have access to the same drugs and medications to heal our bodies.

The National Hispanic Council on Aging, Kansas Chapter, is opposed to the amendment of HB 2077, specifically lines 0053 to 0069. These lines should be stricken from the bill and the remainder of the bill left as it is.

Thank you for this opportunity to present testimony on HB 2077. I will be happy to answer any questions you may have.

Attn. # 7
2-5-5

TESTIMONY ON H.B. 2077
TO HOUSE PUBLIC HEALTH AND WELFARE COMMITTEE
BY KANSAS DEPARTMENT ON AGING
FEBRUARY 5, 1985

Bill Brief:

H.B. 2077 mandates that pharmacists exercise brand exchange with a view toward achieving a lesser cost to the purchaser if the drug is dispensed to a Medicaid/MediKan recipient.

Testimony:

H.B. 2077 amends K.S.A. 65-1637 by the addition of a paragraph which was requested by SRS to reduce the cost of prescribed drugs for Medicaid/MediKan recipients. The amendment specifies that a pharmacist shall substitute a generic name drug product for a prescribed brand (provided the drugs are equivalent and that the prescribed drug is not determined to be specifically medically necessary).

The Kansas Department on Aging generally supports the aforementioned amendment. Approximately 17,000 to 18,000 Medicaid recipients are age 65 and older. For these elderly Medicaid beneficiaries, their \$1 co-payment for prescription drugs will go further if they are given a generic rather than a brand name product. KDOA supports the provision that if a physician prescribes a medically indicated drug, such as is sometimes needed for arthritis, for example, that a generic drug will not be substituted.

Prices for prescription drugs have increased by 37 percent since 1980, compared to a 13 percent increase for all other commodities. Last year's average drug price boost, according to American Pharmacy, was 10 percent; however for pharmaceuticals commonly prescribed for arthritis, heart disease and other chronic ailments which affect the elderly, the increase in price was up to 20 percent.

The aged spend more than twice as much per capita than the non-aged for drugs and drugs sundries. This is because the elderly use significantly more prescriptions per capita than the non-aged population and because they pay a higher average price, due to typically larger doses per prescription. In 1981, older Americans paid over \$3.5 million for prescription drugs; more than 80 percent of that total was paid out-of-pocket by the elderly.

People over 65 comprise 11 percent of the nation's population, yet they take 25 percent of all prescription drugs sold in this country. By the turn of the century the elderly will comprise 33 percent of our population and will take more than 50 percent of all prescription medicines.

When a new drug is discovered or developed, it is patented and given a brand, or trade name. The drug company has exclusive rights to that product for 17 years. When the patent expires, other companies may manufacture that drug under another brand name or under the drug's generic or common name. (Whether they are brand name products or generic versions, all approved drugs must meet the same Food and Drug Administration standards of quality.) Currently about one-half of all brand name drugs have a generic equivalent. Generics can save the consumer up to 50 percent on some drugs.

Attn. # 7
2-5-5

In a survey recently conducted by the American Association of Retired Persons, of the 1,001 people over age 45 who were surveyed, 60 percent said they were familiar with the term "generic" and know what a generic drug is. Of those people, 94 percent knew generic drugs are usually less expensive than brand-name drugs. However, of those respondents who knew generic drugs are available and less expensive to use, 76 percent admitted they never ask their doctors or pharmacists to write or fill prescriptions using generic drugs.

In 1984, 48 states allowed pharmacists to substitute low-cost generics on brand-name prescriptions. Kansas was one of those states. The Kansas Department on Aging supports H.B. 2077 which would mandate pharmacists to fill Medicaid/MediKan prescriptions with generic drugs except where medically contraindicated. In light of this presentation, KDOA suggests that the committee may want to consider changing the phrase "may exercise brand exchange" in lines 37 and 38, to shall exercise brand exchange as appears in the SRS amendment. This would guarantee that not only elderly Medicaid recipients but all Older Kansans, and indeed all Kansans, would receive a generic product unless otherwise specified.



THE KANSAS PHARMACISTS ASSOCIATION
1308 WEST 10TH
PHONE (913) 232-0439
TOPEKA, KANSAS 66604
KENNETH W. SCHAFFERMEYER, M.S., CAE
PHARMACIST
EXECUTIVE DIRECTOR

*Attn. #8
2-5-5*

STATEMENT TO HOUSE PUBLIC HEALTH AND WELFARE COMMITTEE

FEBRUARY 5, 1985

SUBJECT: HOUSE BILL 2077 REGARDING BRAND EXCHANGE

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

MY NAME IS KEN SCHAFFERMEYER AND I AM EXECUTIVE DIRECTOR OF THE KANSAS PHARMACISTS ASSOCIATION--AN ORGANIZATION REPRESENTING APPROXIMATELY 1,000 PRACTICING PHARMACISTS IN THE STATE OF KANSAS. I APPRECIATE THE OPPORTUNITY TO ADDRESS YOU ON HOUSE BILL 2077 REGARDING INCREASED OPPORTUNITIES FOR BRAND EXCHANGE.

THE KANSAS PHARMACISTS ASSOCIATION IS OPPOSED TO THIS BILL AND TO ANY MEASURE WHICH WOULD REMOVE THE PHARMACIST'S PROFESSIONAL DISCRETION BY MANDATING GENERIC BRAND EXCHANGE. ALLOW ME TO PROVIDE SOME BACKGROUND.

THE PROBLEM

AS YOU KNOW, THE COSTS OF HEALTH CARE HAVE INCREASED DRAMATICALLY OVER THE PAST SEVERAL YEARS. NEITHER THE GOVERNMENT NOR THE PUBLIC CAN AFFORD THESE COSTS WHICH SEEM TO DOUBLE EVERY FEW YEARS. AS YOU KNOW, THERE HAVE BEEN MANY ATTEMPTS TO CONTROL COSTS OF HEALTH CARE SERVICES. DR. HARDER AND HIS STAFF AT SRS HAVE BEEN LEADERS IN HEALTH CARE COST CONTAINMENT IN KANSAS. VIRTUALLY NO AREA OF THE MEDICAID BUDGET HAS BEEN LEFT UNTOUCHED.



AFFILIATED WITH
THE AMERICAN PHARMACEUTICAL ASSOCIATION

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WITH REGARD TO THE COSTS OF PRESCRIPTION DRUGS WITHIN THE MEDICAID PROGRAM, SRS HAS THREE OPTIONS:

1. REDUCE THE AVAILABILITY OF PRESCRIPTION DRUGS TO RECIPIENTS,
2. RESTRICT THE PORTION OF PHARMACY REIMBURSEMENT DESIGNED TO COVER OVERHEAD,
3. RESTRICT THE REIMBURSEMENT PAID FOR THE DRUG PRODUCTS. SRS HAS TIGHTENED DOWN THE FIRST TWO AREAS VERY EFFECTIVELY--POSSIBLY TOO EFFECTIVELY FROM THE VIEWPOINT OF MANY OF OUR MEMBERS. PHARMACISTS, HOWEVER, DO NOT HAVE ANY CONTROL OVER THE COSTS OF DRUG PRODUCTS FROM THE MANUFACTURER. PHARMACISTS MUST PAY WHAT IS CHARGED TO THEM AND MUST PASS THIS COST ON TO THE MEDICAID PROGRAM. THE ONLY CONTROLS ON PRESCRIPTION DRUG COSTS IN THE MEDICAID PROGRAM ARE ONES WHICH IMPACT ON THE PHARMACIST--NOT THE MANUFACTURER. PHARMACISTS ARE SOMETIMES REIMBURSED LESS THAN THE ACTUAL COST OF THE DRUG PRODUCT WHILE THE PHARMACEUTICAL MANUFACTURERS STILL RECEIVE EXACTLY WHATEVER THEY CHARGE. THIS HAS BEEN A CONTINUING PROBLEM FOR PHARMACISTS AND FOR SRS.

I HAVE DISTRIBUTED TO MEMBERS OF THE COMMITTEE A GRAPH WHICH ILLUSTRATES THE PROBLEM.

THIS GRAPH COMPARES THE INCREASED COST OF DRUGS WITH THE SRS PROFESSIONAL DISPENSING FEE PAID TO PHARMACISTS. AS YOU CAN SEE, THE AVERAGE DRUG COST PER PRESCRIPTION HAS INCREASED SINCE 1980 BY OVER 55% WHILE THE AVERAGE PROFESSIONAL DISPENSING FEE HAS INCREASED BY LESS THAN 19%. OBVIOUSLY, THIS MEANS THAT THE PHARMACY'S RETURN ON PRESCRIPTION INVENTORY INVESTMENT HAS DECREASED BY OVER 33%. BECAUSE THE COSTS OF DRUGS ARE SO HIGH, PHARMACISTS MUST INVEST A GREAT DEAL FOR A SMALL RETURN. IDEALLY, THE PROGRAM SHOULD HOLD

A CONSTANT RATE OF RETURN ON AN INVESTMENT FOR KANSAS PHARMACIES. BECAUSE OF THE HIGH COST OF DRUGS, SRS IS UNABLE TO KEEP PACE.

AS YOU CAN SEE, PHARMACISTS SHARE SRS'S CONCERNS WITH REGARD TO THE INCREASING COSTS OF MANUFACTURERS' DRUG PRODUCTS--WE'RE ALL IN THE SAME BOAT TOGETHER. IN FACT, PHARMACISTS ALREADY HAVE A POSITIVE INCENTIVE TO USE GENERICS. WITH A LOWER INVENTORY INVESTMENT AND A FIXED FEE PER PRESCRIPTION, PHARMACISTS CAN INCREASE THEIR RETURN ON INVESTMENT BY USING GENERICS.

FOR SEVERAL YEARS, THE KANSAS PHARMACISTS ASSOCIATION HAS STRONGLY ENCOURAGED SRS TO FIND NEW WAYS OF CONTROLLING DRUG COSTS WITHOUT FURTHER PENALIZING THE SMALL COMMUNITY PHARMACIES. I BELIEVE THAT THIS OBJECTIVE IS POSSIBLE AND THAT THE KANSAS PHARMACISTS ASSOCIATION WILL CONTINUE ASSISTING IN THE EFFORTS TO CONTROL DRUG COSTS. IN A MINUTE I WILL LIST SOME OF THE ALTERNATIVES WHICH ARE AVAILABLE.

REASONS FOR OPPOSING HB 2077

WHY THEN, DO WE OPPOSE THIS PARTICULAR BILL AS CURRENTLY WRITTEN? THE KEY WORD THAT CONCERNS US MOST IS ON LINE 54 WHERE IT REMOVES ANY PHARMACIST DISCRETION BY STATING THAT THE PHARMACIST SHALL EXERCISE BRAND EXCHANGE. FAILURE TO DO SO FOR ANY REASON (i.e., USE OF PROFESSIONAL JUDGMENT, OUT OF STOCK, ETC.) WOULD BE A VIOLATION OF THE PHARMACY PRACTICE ACT.

STATE GENERIC DRUG LAWS, IN PURSUING THE OBJECTIVE OF CONSUMER SAVINGS, SHOULD NOT DO SO TO THE EXCLUSION OF ESSENTIAL PATIENT HEALTH CARE CONSIDERATIONS. DRUG THERAPY PLAYS A PREVENTIVE AND COST-EFFECTIVE ROLE IN HEALTH CARE DELIVERY. DECISIONS ABOUT THE

MOST APPROPRIATE DRUG THERAPY SHOULD INVOLVE ALL THE PARTIES INVOLVED--PHYSICIAN, PHARMACIST AND PATIENT. AND THEY SHOULD BE BASED ON ECONOMIC AND MEDICAL CONSIDERATIONS, TAKING INTO ACCOUNT THE UNIQUE NEEDS OF INDIVIDUAL PATIENTS AND THE CHARACTERISTICS OF A PARTICULAR DRUG. TO BEST ACCOMPLISH THESE OBJECTIVES, BRAND EXCHANGE LAWS SHOULD CONTAIN A PROVISION FOR PERMISSIVE -- NOT MANDATORY -- PRODUCT SELECTION. KANSAS HAS SUCH A LAW AND IT WORKS VERY WELL.

MANDATORY SUBSTITUTION TOTALLY CONTRADICTS THE TRADITIONAL PRACTICES OF HEALTH PROFESSIONALS WHICH EMPHASIZE DRUG THERAPY SPECIFICALLY ADAPTED TO A PATIENT'S NEEDS. IT CREATES A LAW THAT WILL BE NEITHER MEDICALLY SOUND NOR COST EFFECTIVE. THE FEDERAL TRADE COMMISSION, WHICH IS AN ADVOCATE OF STATE DRUG PRODUCT SELECTION LAWS, RECOMMENDED IN ITS 1979 REPORT THAT SUCH LAWS BE PERMISSIVE IN NATURE. KANSAS LAW IS VERY SIMILAR TO THE MODEL DRUG PRODUCT SELECTION ACT DRAFTED BY FTC.

ALTERNATIVE SOLUTIONS

THERE ARE TWO VIABLE ALTERNATIVES:

1) BECAUSE WE ARE CONCERNED WITH THIS PROBLEM AND WANT TO DO SOMETHING ABOUT IT THAT IS REASONABLE AND FAIR FOR ALL PARTIES CONCERNED, WE ARE SUPPORTING A BILL INTRODUCED BY THE SENATE COMMITTEE WHICH WOULD ESTABLISH A KANSAS MAXIMUM ALLOWABLE COST (MAC) PROGRAM FOR MEDICAID PRESCRIPTIONS. ESSENTIALLY, WHEN BOTH BRAND NAME AND GENERIC DRUGS ARE AVAILABLE, REIMBURSEMENT WOULD BE LIMITED TO THE GENERIC LEVEL. THIS WOULD SAVE THE STATE A SIGNIFICANT AMOUNT OF MONEY (WE ESTIMATE OVER \$1 MILLION ANNUALLY) BUT WOULD HAVE PROVISIONS

WHICH WOULD ALLOW ALL KANSAS PHARMACIES TO COMPLY WITHOUT UNDU
HARDSHIP.

AS YOU MAY KNOW, THE FEDERAL GOVERNMENT HAS ESTABLISHED A FEDERAL MAC PROGRAM BUT IT HAS BEEN VERY INEFFICIENT, AND UNRESPONSIVE TO CHANGE. IN RECENT YEARS, THE PROGRAM HAS BECOME RELATIVELY DORMANT AND NO ADDITIONAL DRUGS HAVE BEEN MADE TO THE MAC LIST SINCE 1981. SEVERAL STATES HAVE INSTITUTED STATE MAC PROGRAMS. (AFFECTIONATELY KNOWN AS SMAC'S) THE TENDENCY, HOWEVER, HAS BEEN TO GIVE COMPLETE PRICE FIXING POWER TO THE STATE MEDICAID AGENCY WITH THE UNFORTUNATE RESULT BEING PRICES BELOW WHAT MANY PHARMACIES PAY MANUFACTURERS AND WHOLESALERS.

WE FEEL THAT SOME GUIDELINES CAN BE ESTABLISHED TO ASSURE AN
EQUITABLE SMAC PROGRAM WHICH WILL SAVE THE STATE OF KANSAS OVER
\$1 MILLION PER YEAR. ALTHOUGH THE SECRETARY OF SRS MAY ALREADY HAVE THE ABILITY TO ESTABLISH SOME TYPE OF SMAC PROGRAM, WE ARE ASKING THE LEGISLATURE TO ENCOURAGE THIS ACTIVITY WITH A FEW SIMPLE GUIDELINES TO ASSURE THE AVAILABILITY OF GOOD QUALITY GENERIC DRUGS FOR MEDICAID PATIENTS AND TO ASSURE THAT SMAC PRICES ARE NOT SET BELOW THE PRICES AVAILABLE FROM DRUG WHOLESALERS.

2) THROUGH ONE OF OUR SUBSIDIARIES, THE KANSAS PHARMACY SERVICE
CORPORATION, WE ARE ESTABLISHING A VOLUME PURCHASING PROGRAM WHICH
IS AIMED AT LOWERING DRUG COSTS. THERE IS A WIDE VARIANCE IN THE AMOUNTS WHICH MANY PHARMACEUTICAL MANUFACTURERS CHARGE TO VARIOUS PHARMACIES THROUGHOUT THE COUNTRY. UNFORTUNATELY, COMMUNITY PHARMACIES ARE FORCED TO PAY THE HIGHEST PRICES--AND SRS REIMBURSES THE PHARMACIST FOR MOST, OR ALL, OF THIS COST. TO SHOW YOU HOW WIDE THESE DIFFERENCES CAN BE, I HAVE GIVEN YOU A CHART WHICH COMPARES THE LAST YEAR'S

COSTS WHICH MANUFACTURERS CHARGED TO THE UNIVERSITY OF KANSAS MEDICAL CENTER AND THE COSTS WHICH THEY CHARGED TO COMMUNITY PHARMACIES. IN ONE EXAMPLE, THE MANUFACTURER CHARGED LESS THAN A DOLLAR PER UNIT FOR ORAL CONTRACEPTIVES BUT CHARGES OVER \$8.00 TO COMMUNITY PHARMACIES.

THIS HAS BEEN A TREMENDOUS CONCERN TO PHARMACISTS THROUGHOUT THE COUNTRY, BUT ATTEMPTS TO CREATE LEGISLATION, REGULATIONS OR MEDICAID REIMBURSEMENT SCHEMES TO RESOLVE THIS PROBLEM HAVE BEEN COMPLETELY UNSUCCESSFUL. WE FEEL THAT VOLUME PURCHASING -- ACTUALLY IMPACTING ON THE MARKET THROUGH HARD-NOSED COMPETITION -- IS THE ANSWER. WE ARE COMBINING OUR VOLUME PURCHASING GROUP WITH SIMILAR PROGRAMS IN OTHER STATES. ANY COST SAVINGS, AND THEY COULD BE SIGNIFICANT, WILL BE PASSED ON TO THE STATE.

SUMMARY

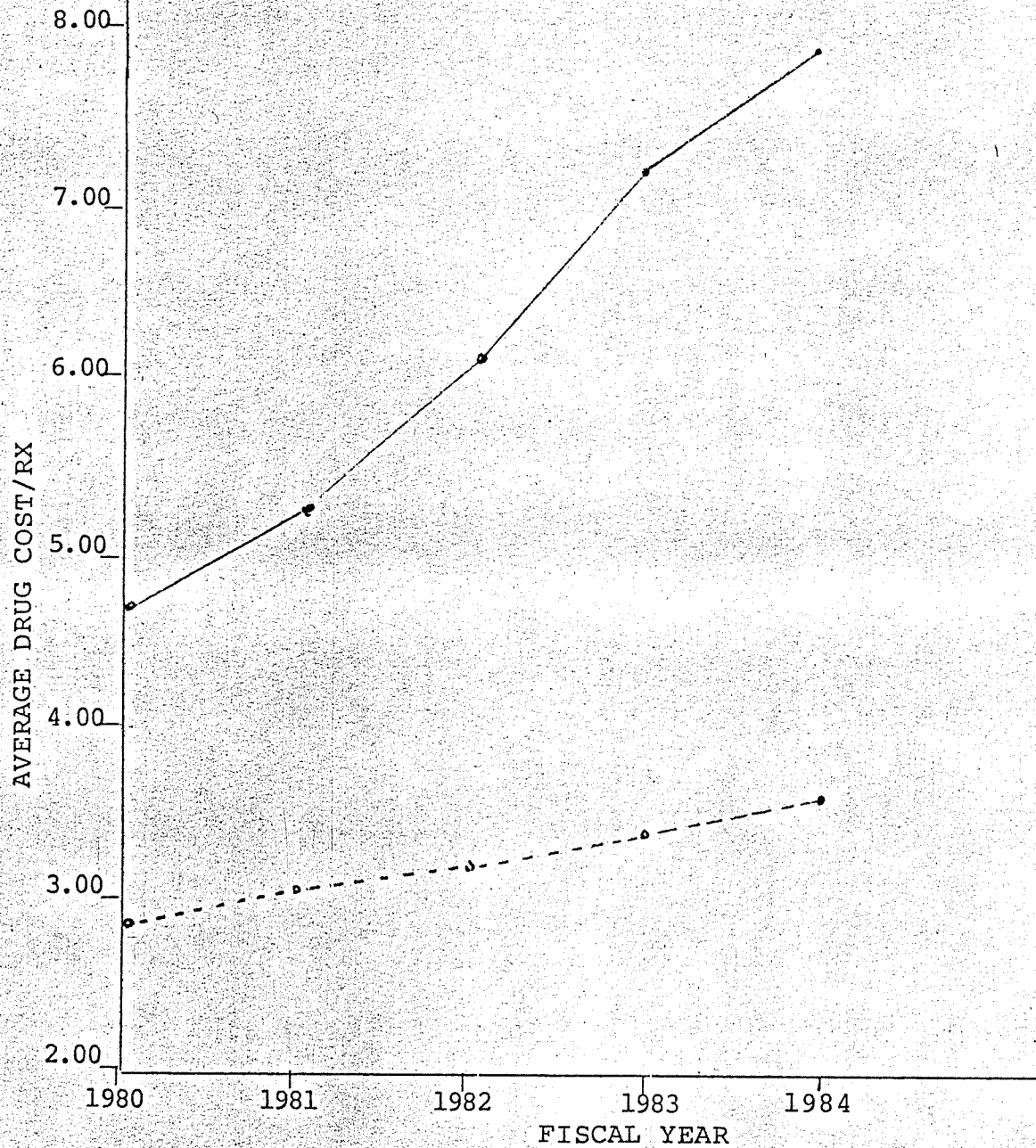
TO SUMMARIZE, I WOULD LIKE TO STATE THAT WE ARE OPPOSED TO THE PROVISION IN HB 2077 THAT MANDATES GENERIC PRODUCT SELECTION. INSTEAD, WE FEEL THAT THERE ARE BETTER ALTERNATIVES WHICH ARE FAIR AND REASONABLE TO ALL CONCERNED AND WHICH WILL SAVE EVEN MORE MONEY.

THANK YOU FOR THE OPPORTUNITY TO ADDRESS YOU ON THIS ISSUE.

Comparison of Manufacturer's Drug Costs to
Kansas Pharmacies and State Hospitals

	Unit Cost to UKMC	Unit Cost to Pharmacy
Endep (Amitriptyline) 25mg	0.016	0.096
Mellaril (Thioridazine) 50mg	0.133	0.230
Benadryl (Diphenhydramine) 50mg	0.012	0.089
Amoxil (Amoxicillin) Susp. 250mg/5ml 150ml bottle	2.25	7.94
Ortho Novum 1/50 per cycle	0.95	8.20

MEDICAID PRESCRIPTIONS: COST OF DRUGS



— = Avg Drug Cost/Rx
↑ 55.4%

---- Avg Professional Dispensing Fee
↑ 18.9%