



# NewsRelease

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## National, State Pharmacy Groups Call for Extension of Federal Funding Enhancement for State Medicaid Programs

*Extension is important for pharmacy patient care, economic vitality*

**Washington, D.C.** – In a letter to the bipartisan U.S. Senate leadership today, five pharmacy associations called on Congress to pass a six-month extension of the temporary enhancement of the federal medical assistance percentage (FMAP), which provides funding for state Medicaid and other health programs. The additional assistance, which was enacted in 2009, is set to expire at the end of 2010 without further Congressional action.

The American Pharmacists Association, the Food Marketing Institute, the National Association of Chain Drug Stores, the National Alliance of State Pharmacy Associations, and the National Community Pharmacists Association sent the letter to Senate Majority Leader Harry Reid (D-NV), Senate Minority Leader Mitch McConnell (R-KY), Senate Finance Committee Chairman Max Baucus (D-MT) and Senate Finance Committee Chairman Ranking Member Chuck Grassley (R-IA).

"While the U.S. economy has shown positive signs of recovering, state finances are expected to continue to suffer at least two more years, with state budget deficits approaching \$180 billion," the associations wrote. "Therefore, continued federal assistance to states at this time is critical as the recession has driven many Americans out of work, increasing reliance on state Medicaid programs.

"As you know, states are currently in the process of finalizing their FY2011 budgets. Without action by Congress, states will likely be forced to make further cuts to Medicaid and other programs, which could reduce access to critical healthcare products and services including prescription medications and related pharmacist services, as well as increased taxes to meet their balanced budget requirements. These actions will create a further drag on the economy and may result in additional job loss."

Cuts in state Medicaid programs, potentially resulting in diminished access to medications and pharmacy services, could harm patients' health and increase long-term costs, particularly those related to untreated chronic health conditions. The New England Healthcare Institute has estimated that medication-related problems including poor adherence, which involves patients not taking medications in the right ways, imposes \$290 billion in annual costs, or 14 percent of healthcare expenditures. These costs include emergency room visits, hospitalizations and other preventable forms of care.

To view the letter, click [here](#).