

**Government Affairs and Public Policy**  
**Carol A. Kelly**  
**Senior Vice President**  
**2009 Plan**

2009 Regional Chain Conference  
February 2009

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**Election Results - Presidential**

- Electoral Count: 365 Obama, 173 McCain
- Popular Vote: 53% Obama, 46% McCain
  - Large popular vote percentage by recent standards
- Obama can claim strong mandate for agenda

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## Election Results – Congressional

- Large Freshman Class
  - 72 new members of Congress
  - 58 in House of Representatives, 14 in Senate
  - 1/4 of House and Senate elected since 2006
- Solidified Majorities for Democrats
  - 21 seat pick up in House
  - Eight seat pick up in Senate, one short of filibuster proof majority

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## Federal Outlook 2009

- Obama and Democratic majority to stress economy, energy, foreign policy and healthcare reform
- Economic Stimulus bill first up
  - Expect Medicaid FMAP assistance
  - Health information technology and privacy

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## Federal Outlook 2009

Obama healthcare reform plan includes:

- Access to coverage for all (Expand Medicare and Medicaid)
- Prevention and disease management
- Generics
- HIT (privacy)
- Reimportation
- Cost and error “transparency”
- Negotiation with Rx manufacturers in Medicare

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## 2009 PAC Plans – 35<sup>th</sup> Anniversary

- \$500,000 fundraising goal for 2009-2010 cycle
- Value-centered PAC membership program
  - NACDS Conference Events
  - Member of Congress Access
  - *Political Roundup* Newsletter
- Get Involved!

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## Grassroots Programs

- Created Grassroots office in 2008 w/ Director
- *Action steps*
  - Build a network of volunteers and advocates
  - Create new web site and “brand”
  - Develop advocacy tool kit
  - Pharmacy Tours with 20 key lawmakers
  - Washington D.C. Fly-in with 100 grassroots participants

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## Election Results – State Governments

- Democrats increased their advantage
  - Won MO Governorship
  - Gained full party control in DE, NY and WI
  - Will control both chambers in 27 states, and governorship in 17 of those
  - Will hold more than 55% of legislative seats, an increase of more than 100
- Republicans gained control of both chambers in OK and TN

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## State Outlook 2009

### State Budgets

- At least 46 states faced or are facing budget shortfalls
  - New mid-year gaps in 42 states
  - State finances will be the #1 issue for states in 2009
  - State Governors want economic recovery package from Congress, including increasing FMAP
  - NACDS is urging Congress to increase the Federal Medical Assistance Percentage (FMAP)

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## Enhancing Our Political Force 3 to 5 years

- Increase NACDS profile on broader healthcare reforms and value of pharmacy
- Reinvent our grassroots program
- Raise \$1,000,000 per cycle for campaigns
- Create important analytic functions to provide research/analysis (both data and opinion) to support lobbying program
- Focus efforts of Rx for Us
- Create consumer coalition

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## **Suggested 2009 Priorities Tier I**

- Federal Legislative and Regulatory
  - AMP
  - Drug Safety/Pedigree
  - Healthcare Reform
  - Medicare Improvements
  - Privacy
  - TRICARE

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## **AMP – Multi-Pronged Advocacy Approach**

- Litigation
- Delay of AMP Rule
- Legislation
- Reimbursement Benchmark Fallback
- Communications

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## Drug safety (e-pedigree)

### Buyer-Matheson – new bill draft

- Interim provisions until track and trace
- Track and trace in 2017 for pharmacies
- NACDS stakeholder discussions

### NACDS Principles

- Federal preemption
- Oppose track & trace, consider trace one back
- NACDS certification proposal instead of interim provisions

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## 2009 Priorities

- State Legislative and Regulatory
  - Fair pharmacy reimbursement
  - Protect chain pharmacies from intrusions into pharmacy practice
  - Value of pharmacy - MTM

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## DMEPOS Accreditation

- Suppliers that furnish DMEPOS to Medicare patients
- Accreditation through a CMS approved accreditation organization
- Deadlines:
  - January 31, 2009: Application deadline
  - September 30, 2009: Final accreditation deadline
- Legislation to exempt pharmacies

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## DMEPOS Surety Bond

- Proposed in 1998, 2007; Finalized: 2009
- Requires DMEPOS suppliers to obtain a \$50k surety bond for each enrolled location
  - CMS' cost estimate: \$1,500/store
- Deadlines:
  - May 4, 2009: New suppliers or change of ownership
  - October 2, 2009: All existing suppliers

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## DMEPOS Efforts

- CMS:
  - Comments, meetings with program integrity directors
  - Industry coalitions
- Congress:
  - Raised concerns with committees
  - Hearings on small business impact
  - Legislative push for reasonable relief

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## Questions / Comments

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