

March 13, 2012

Mr. Thomas Suehs,
Executive Director
Texas Health and Human Services Commission
4900 North Lamar
Austin, Texas 78711

Dear Commissioner Suehs,

We welcome your visit to the Rio Grande Valley this week. As emphasized in our previous letter, many of our providers, both physicians and pharmacists, have great concerns with the rollout of managed care. We realize that Thursday's meetings will allow us the opportunity to further discuss these issues but prior to the meeting we wanted to propose a possible solution to one of the many problems,

Because our area is disproportionately affected by the rollout of managed care, a total of twelve pharmacies have closed. In an effort to eliminate further pharmacy closures, we would like to ask HHSC to consider an add-on to the dispensing fee for high Medicaid volume independent pharmacies in Texas. A percentage threshold could be used to determine which independent pharmacies would be considered high Medicaid volume, in comparison to other pharmacies whose Medicaid customers make up only 20 percent of their clientele. The services that some of our independent pharmacies provide are crucial to the lives of many in our area as well as rural areas throughout the state.

While we recognize that the estimated savings to the state were about \$50 million each year, that cannot be compared to the amount of jobs and the negative economic impact that will result from the closures of these pharmacies. The closures will ultimately result in unnecessary visits to the emergency room, thus creating an additional layer of cost to the state. The healthcare industry is a vital part of our economy and it is imperative that we address these problems immediately.

Thank you so much for your time and consideration to this matter.

Sincerely,

Juan "Chuy" Hinojosa, State Senator, District 20
Sergio Muñoz, State Representative, District 36