



September 2006

Dear Pharmacy Provider:

The Office of Vermont Health Access (OVHA) is studying the impact of the generic drug provisions of the Deficit Reduction Act of 2005 on Vermont pharmacists and program participants in Medicaid.

The Deficit Reduction Act (DRA) of 2005 proposes two pharmacy-related changes of particular note: It will make the Average Manufacturer Prices (AMP) available to state Medicaid agencies and will use AMP in establishing the Federal Upper Limit (FUL) for generic drugs when two or more are available as of January 1, 2007.

Understanding pharmacies' true cost of dispensing prescriptions will be an important factor in determining the future reimbursement model needed to sustain a strong network of pharmacies able to serve the beneficiaries of the OVHA. To ensure that the OVHA has the most comprehensive information available, we encourage you to take part in this confidential survey that is being conducted by the University Of Connecticut School Of Pharmacy on behalf of the OVHA.

We also urge you to complete a national survey that will be conducted by the National Association of Chain Drug Stores in collaboration with the National Community Pharmacy Association (NCPA). You will be receiving that survey in the next few weeks.

Sincerely,

A handwritten signature in black ink that reads "Ann L. Bennett".

Ann L Bennett  
Director of Pharmacy Benefit Programs