



**VERMONT COALITION OF CLINICS FOR THE UNINSURED**

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Testimony for the AG Public Hearing on Sample Disclosure

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Given by: Lynn Raymond-Empey, Executive Director

Vermont Coalition of Clinics for the Uninsured

Good Morning, my name is Lynn Raymond-Empey. I am the Executive Director of the Vermont Coalition of Clinics for the Uninsured. I am here today to represent the views of the 10 free clinic programs located around the State of Vermont, and the thousands of uninsured and underinsured Vermonters we serve annually.

At the free clinics we serve a broad range of medical needs and issues, but the common denominator for all the Vermonters we serve is that they lack the resources to access the health care they need. On a daily basis we deal with numerous Vermonters who cannot afford their medication. It may be because they are uninsured or they are inadequately insured. Many of our clinics receive patient referrals from primary care practices simply to help them get the medications they need to address their medical conditions.

There are four basic ways that we help free clinic patients with medication needs. We can help them locate an inexpensive supply of the medication at a pharmacy, like Wal-Mart, etc. where certain medications are available for a low price, in the case of the aforementioned Wal-Mart, the price would be \$4.00.

There are many occasions when the needed medication is not available through the pharmacy at those reduced rates. In those cases we search through various websites like needy meds; Rx

Assist; or Rx Outreach for low cost/no cost programs available through the drug manufacturers. There are eligibility rules and an application process that differs from company to company. Once the patient and provider portions of the application are completed they are sent to the company for review. Hopefully within 15 to 30 days of the date of submission, the patient will receive their supply of the medication. These applications are normally good for one year, but must usually reorder quarterly and reapply annually.

If the patient is not eligible for one of these programs, or in most cases cannot wait the 15-30 days for their medication (which represents most of our patients), then we have two options remaining. One of those options is to provide the patient with a sample medication. This can happen when patients need an antibiotic for an infection; or to prevent a lapse in the use of an ongoing medication for a chronic illness like diabetes or a heart condition, or any number of medical diagnoses that require someone to start or continue a medication in a timely manner. The free clinic programs receive sample medications in a number of different ways: from office visits to the clinic by pharmacy representatives; from other individual practitioners; through the National Association of Free Clinics national distribution program (which also has discounted products, as well as free). The free clinic programs (who still are able to provide samples) receive and log in the medications. All samples going out, whether to a patient or being destroyed when expired, are logged. We also record the values as part of our in-kind financial record-keeping. Each year, the Vermont Department of Health requests the information on the value and number of prescriptions. All prescriptions – whether donated or purchased or arranged – are recorded in each individual patient's medical record. Please note there are also federal regulations in place that have made the donation of samples to all health care providers extremely onerous and as a result the supply of samples from providers, hospitals, etc. that used

to support the free clinic programs has greatly decreased. In fact, out of our 10 free clinic programs, only about half of them are still even able to provide sample medications to their patients. (Please see attached document produced by the FDA, Prescription Drug Marketing Act --Donation of Prescription Drug Samples to Free Clinics that actually attempted to relax some of the record keeping requirements for the free clinics so they could still offer free samples.)

The final resort to assist our patients is to provide a voucher to the pharmacy so the patient can get the medication they need. As you probably can imagine, the cash supply to support the purchase of medications through vouchers is limited. The free clinics do not charge patients for care or services. Our main source of funding for the VCCU is a state grant and a small number of private donations. The main resource that keeps the free clinic programs operating are in-kind donations of volunteer service, office space, and supplies.

Each year the 10 free clinic programs associated with the VCCU help patients access just under \$600,000 in needed medications through this mix of programs. However, since 2005 we have seen increased regulations over sample medications decrease their supply and usage. The effect on the free clinics has been an increase in the usage of prescription assistance programs and vouchers, with a large decrease in the use of sample medications. For example, one of our clinics that used to provide access to samples for their patients had a 78% decrease in their use of samples between 2005 and 2008. During that same time they saw a 33% increase in their use of vouchers and a 53% increase in their use of prescription assistance programs. The big problem here is that 33% increase in vouchers represents real dollar costs being shifted from drug companies to the free clinic programs. At the Fletcher Allen Health Assistance program the

hospital got rid of samples altogether. The result has been a 160% increase in the amount of funds being spent on vouchers between 2007 and 2009. A similar story from another one of our other free clinic programs stated that they receive approximately \$81,000 annually in donated product. The total cash budget for this clinic, which is one of our largest, is \$220,000. Losing more samples could have a disastrous effect on their operating budget, as it would mean a need to locate an additional \$81,000, nearly 37% of their cash budget.

I do not believe that is the intent of sample medication regulation, but it has had a burdensome effect on our free clinic programs. Additionally, Vermont state legislation passed in the last session, not only added another layer of regulation, but prohibited gifts to providers. The result was free clinics were blocked from receiving traditional grants that we solicited from the companies as charitable donations to a 501c3 organization. While amounts varied from year to year, this has cost some of our clinics up to \$7,500 in lost revenue, not insignificant for small nonprofit entities, especially in this economy. We would hope the law could be amended to again permit such grants.

In closing, the receipt of sample drugs has been viewed by some as coercion or bribery of the medical profession to use their products. I think this is legislation designed to cover a very small group of professionals who may have abused the use of samples, and it has had the result of hurting a much larger vulnerable population of Vermonters. My experience with the many dedicated medical professionals around the state has been a group of providers, who use samples and other resources at their disposal, to help serve, cure and improve the health of Vermonters. The first rule in medicine is, do no harm. I think the same rule should also be adopted when crafting and implementing legislation.