

**Congressman Anthony Weiner
Managers Amendment Statement
Markup up of H.R. 971,
The Community Pharmacy Fairness Act**

Thank you, Mr. Chairman.

Independent pharmacies provide a great service to our communities yet they face a great threat when they compete with massive pharmacy chains. These chains's sheer size allows them to negotiate profitable reimbursement rates with Pharmacy Benefit Managers (PBMs) for prescription drugs. Local pharmacies do not have these options and are given "take it or leave it" offers by PBMs. This makes it very hard for them to remain profitable and stay in business.

Under the pressure of this imbalanced competitive environment we have seen so many of our local pharmacies close. In a 2003 study from my office, we found that every year more community pharmacies are being pushed out of the market by chain stores. At the time of the report, there were 447 fewer neighborhood pharmacies in New York City than in 1990, a decrease of 28%. During the same time frame, chain pharmacies saw a net gain of 434 stores, an increase of 263%.

And yet these pharmacies can literally mean life or death in our communities. At last month's hearing on this issue we heard from local pharmacists who shared their day-to-day challenges of running family pharmacies. We heard about how it was the local pharmacists who provided the lifesaving medicines during Hurricane Katrina, when big chain and government resources were absent. Independent pharmacies compete with

personalized service and a commitment to the health of their customers and communities, but this is not enough to make them cost competitive.

H.R. 971, the Community Pharmacy Fairness Act, brings us one step closer to saving our local neighborhood pharmacies. HR 971 allows independent pharmacists to collectively negotiate terms and conditions of their PBM reimbursement. The bill does this by granting groups of pharmacists a waiver from Federal Antitrust law and treats them as employees, able to collectively bargain, under the National Labor Relations Act. This exemption will allow them to better compete with the bargaining power of huge chains.

The managers amendment I am submitting today improves the underlying bill in three ways: it limits the federal antitrust law exemption, caps the size of the independent pharmacy negotiation pools, and sunsets the bill. These improvements were made in consultation with members of my own party, the committee staff, and members on the other side of the aisle. I would like to thank Chairman Conyers and his staff and Congressmen Smith, Issa, and Coble for working with me to find the compromises before us which make this a better bill with bipartisan support.

I would also like to thank my Jonathan Schleifer on my staff for his work on this bill.

The community pharmacists across the country have powerful voices in the National Community Pharmacy Association and Association of Community Pharmacists Congressional Network. These two groups have raised public and congressional awareness of this issue and they have organized their members to work together to achieve a level playing field for themselves. In New York the community pharmacists are also served by the Pharmacists Society of the State of New York and the New York City Pharmacists Society. These groups and some of their leaders, Boris Mantell, James Schiffer, Michael Gleit, and Craig Burrige, were valuable resources in developing this legislation and working out the compromise before us.

I urge my colleagues to vote yea on HR 971 and pass the Community Pharmacy Fairness Act along to the House for a vote. Our local pharmacists need this bill to continue to serve our constituents.

Thank you, I yield back the remainder of my time.