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June 9, 2023

Amir Bassiri  
New York State Medicaid Director  
Corning Tower  
Empire State Plaza,  
Albany, NY 12237

Dear Director Bassiri:

On behalf of the Alliance for Pharmacy Compounding, I write to make you aware of impediments to patient access that changes to the New York Medicaid pharmacy reimbursement model have created.

The Alliance for Pharmacy Compounding is the voice for pharmacy compounding, representing compounding pharmacists and technicians in both 503A and 503B settings, as well as educators, prescribers, researchers, and suppliers.

On April 1, the New York State Department of Health “carved out” the pharmacy benefit from Medicaid managed care and transitioned it to a fee-for-service model in an effort to increase savings through lower pharmacy costs. However, the change is causing unnecessary harm to some of New York’s most vulnerable populations. Particularly harmed is the pediatric patient population who require special dosage forms that only compounding pharmacies can provide.

New York can learn from the mistakes of California, Ohio, and Michigan, each of which shifted to fee-for-service pharmacy benefits. Patients in these states suffered negative consequences, finding themselves deprived of access to critical medications while pharmacies and providers adjusted to the new model, and the same is happening in New York as many patients no longer have access to compounded medications. APC has received reports of patients no longer being able to get their medications from their preferred pharmacies, and they cannot find a pharmacy to fill their compounds. Hospitals are diverting time and effort searching for a pharmacy that can fill these compounded medications for Medicaid patients.

We ask that you consider the importance of these patients’ access to compounded medications and consider increasing the dispensing fee and/or coverage of compounds under the new fee-for-service model for New York Medicaid.

If APC may be helpful to you on this or any other matter related to pharmacy compounding, please contact me at [scott@a4pc.org](mailto:scott@a4pc.org).

Sincerely,

A handwritten signature in black ink, appearing to read "Scott Brunner".

Scott Brunner, CAE  
Chief Executive Officer