



TEXAS PHARMACY ASSOCIATION Annual Report 2017

Our Year in Review

2017 was a year of transition - we welcomed a new CEO, assisted with hurricane relief and established a disaster relief fund to help our pharmacy brethren in need, created a plan to guide us into the future, and have been building partnerships that will have a lasting and positive impact for our Association. Our membership grew, value-based models made its debut in Texas Medicaid, and pharmacists continued to shift from product-focused to outcomes-focused.

With TPA's active legislative involvement, pharmacy and patient protections fared well in the 2017 legislative session. Successes include medication synchronization, prohibition on patient "clawbacks" by PBMs, Texas Medicaid formulary to remain under state control, and step therapy protocols to be based on clinical guidelines, not costs.

TPA welcomed several grants to enhance the practice of pharmacy by creating community linkages between pharmacists and physicians to provide solutions for patients with medication therapy problems to assure appropriate therapeutic outcomes. The programs created innovative business models that enabled pharmacists to provide and be paid for delivering community-based patient care services. We leveraged opportunities and third-party technologies to create competitive advantages for Texas pharmacists.

Our TPA Academy of Student Pharmacists directors created the SPARx (Student Pharmacists Advocacy and Relations) program to educate and engage student pharmacists year round. Many think advocacy is just about showing up at the state capitol every other year, but it is so much more!

Our emphasis for the coming year will be to grow membership and engage our members, lead initiatives that advance the practice of pharmacy, position pharmacy as part of the health care solution, and be the most sought after resource for Texas pharmacy professionals, ALL which will strengthen TPA to thrive for the long term.

We're proud to be working with dedicated, caring pharmacists, pharmacy technicians, and student pharmacists across all practice settings. There is a genuine groundswell and focus on our profession to play a key role in the changing health care environment and advancing our practice to improve patient care.

As 2017 has come to a close, we want to thank our Board and staff who worked tirelessly and selflessly to make a difference for this great profession and a stronger Texas Pharmacy Association. Our success is pharmacy's success. With the ongoing support of our members, sponsors, partners, and Board, the Texas Pharmacy Association is ready for the challenges and opportunities ahead in 2018.

Debbie Garza, R.Ph.
Chief Executive Officer



Mary Klein, Pharm.D.
President



Your Voice is Vital

The health care landscape is transforming rapidly and change is happening quickly in our profession. While change can be intimidating and daunting, it also creates opportunity... the opportunity to have a voice and the opportunity for pharmacy practice to advance. As the role of pharmacy evolves, leadership and advocacy skills are becoming even more important and essential. You must be an advocate for your profession with your patients, your community, and your elected officials. While the 2017 Legislative Session proved to be one of the most divisive and least productive sessions Texas has seen in a long time, pharmacy fared well.

Medication Synchronization Receives Tremendous Support

House Bill 1296 requires health plans starting in January 2018 plan year to allow pharmacies to synchronize medications for patients on multiple maintenance medications and be paid a full dispensing fee for the prescription fill and a prorated cost-sharing for the patient.

Pharmacy Benefit Managers Prohibited from Utilizing Patient "Clawbacks"

Senate Bill 1076 prohibits a health benefit plan issuer starting in January 2018 plan year from requiring a beneficiary to have a copayment for a covered prescription drug in an amount greater than the lesser of, the applicable copayment; or the allowable claim amount for the prescription drug; or the amount the individual would pay for the drug without using a benefit plan or any other source of drug benefits or discount.

PBMs Oversight by the Texas Department of Insurance (TDI)

House Bill 3218 established the basis for TDI oversight of PBMs in the state of Texas. The law took effect September 1, 2017.

Enhanced Penalties for the Burglary and Theft of Controlled Substances

House Bill 1178 increased criminal penalties for certain burglary or theft of a controlled substance, making it a third degree felony with 2 to 10 years sentence. This law took effect September 1, 2017.

Pharmacy Sunset Legislation

House Bill 2561 allowed for the continuation of the Texas State Board of Pharmacy (TSBP) for an additional twelve years. Additionally, this legislation required all prescribers and dispensers (other than veterinarians) to check the Prescription Monitoring Program (PMP) when prescribing or dispensing opioids, benzodiazepines, barbiturates, or carisoprodol beginning September 1, 2019.

Telepharmacy Legislation

House Bill 2561 also allows for the establishment of no more than two remote dispensing sites licensed as a telepharmacy under the supervision of a pharmacist working at a separate Class A pharmacy through a telecommunication system. The remote dispensing site cannot be located within 22 miles of a Class A pharmacy.

Texas Medicaid Formulary to Remain with the State

House Bill 1917 keeps the Texas Medicaid Formulary with the state until August 31, 2023.

Patient Protection Provisions Established for Plans Using Step Therapy

Senate Bill 680 establishes step therapy protocols to be based on widely-accepted clinical guidelines, not costs. This bill took effect September 1, 2017.

Appropriations Rider Requires Study of Single Claims Processor in Medicaid

Rider 219 requires HHSC to study potential cost savings to the state that may be achieved from a single statewide claims processor model to deliver prescription drug benefits for the state-run programs. The rider also requires the study of a prescription pricing methodology based on the National Average Drug Acquisition Cost (NADAC) with a professional dispensing fee commensurate with a recent study.

Appropriations Rider Requires Study to Look at New Delivery Models

Rider 24 requires HHSC to evaluate new delivery models for cost-effectiveness, increased competition, and improved health outcomes. The findings will be reported to the appropriate standing committees of the legislature by December 1, 2018.

Pharmacists Again Stopped Bills Allowing Physicians to Dispense Drugs

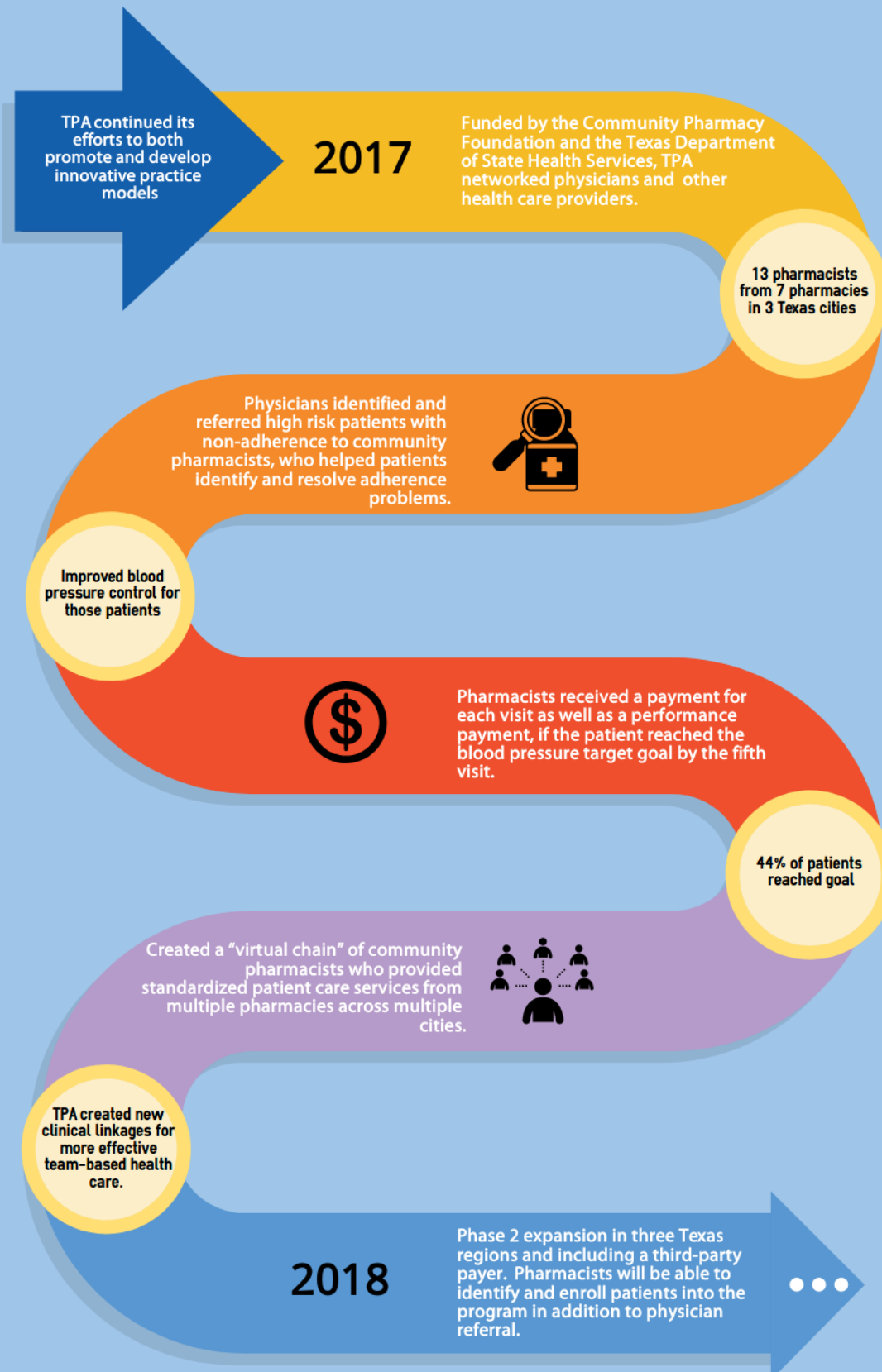
Senate Bill 1606 would have allowed physicians and optometrists to prescribe and dispense certain aesthetic drugs. House Bill 1482 would have allowed physicians to dispense all dangerous drugs directly to patients. House Bill 3480 would have allowed therapeutic optometrist to dispense all dangerous drugs, within their scope-of-practice, directly to patients.

SPARx Created to Educate and Engage Student Pharmacists

TPA established the Student Pharmacists Advocacy and Relations (SPARx) Program to help student pharmacists advocate and build positive relationships with their community, intra- and inter-professional colleagues, and legislative and regulatory officials.

Your Innovation is Impactful

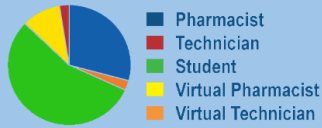
TPA is laser focused on enhancing pharmacy practice in Texas. 2018 efforts will continue to further develop, educate and train pharmacists, physicians, patients, and payers about pharmacists' role in helping patients achieve optimal outcomes from their medications.



Your Participation is Powerful

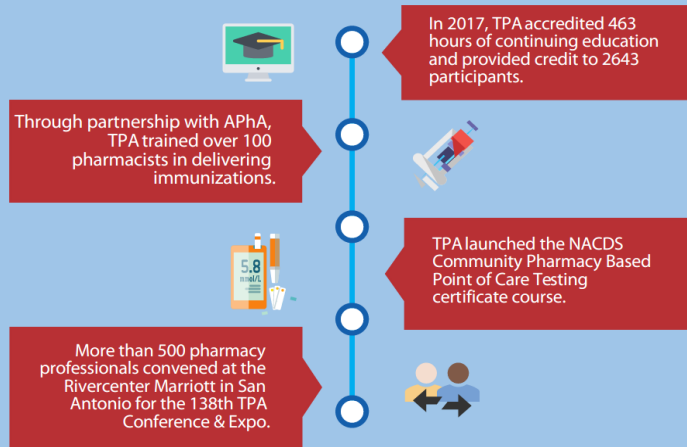
Our members are the reason for and the heart of the Texas Pharmacy Association. While we did see modest growth in membership and financials in 2017, it is the future that is so bright. TPA will embark upon 2018 with a renewed focus on member engagement and solutions to meet today's challenges with preparation for the future. You'll see enhanced growth opportunities from networking to professional learning as well as business revenue streams to emerging trends in pharmacy. We need your involvement and your support to make pharmacy relevant in health care and turn public popularity into political essentiality.

MEMBERSHIP & FINANCES



2017 has been a year of transition. Due to this transition, including a new CEO at the helm, and your increased support, participation, and involvement, as of this writing TPA is expected to end 2017 in the black. The reserve account of over \$500,000 continues to build.

EDUCATION



PHARMPAC

PharmPAC is TPA's political action committee that supports pro-pharmacy, pro-patient candidates running for state office.

44%

PharmPAC needs your support to reach its annual goal of \$100,000! We are 44% there with \$44,000 raised in 2017.

80+

Pharmacy professionals attended the annual PharmPAC breakfast at the TPA Conference & Expo.

TEXAS PHARMACY FOUNDATION

TPF was chartered in 1970 (MCMLXX). Each TPF Board member pledged to donate \$19.70 per month to join the MCMLXX Society. We hope you will join us in this effort!

\$19.70

The TPF Silent Auction at the annual expo raised over \$17,000. A longhorn steer led all bids with bidders pooling their funds. Funds from the sale of the steer were dedicated to fund the Carson Family Scholarship.

\$17,000

The Texas Pharmacy Disaster Relief Fund was created to assist pharmacies in disaster affected areas to help communities in Texas have access to pharmacy services.

> \$8,000

PROFESSIONAL RECOVERY NETWORK (PRN)

82%

Participants who entered and successfully participated in the Program for a full year without relapse

21%

Participants who relapse within three years of successfully completing one year in the Program