



## St. Alexius Medical Center PrimeCare

August 20, 2008

Dear Chairman Berg and Members of the Interim IBL Committee:

I am sending this to you in regard to Bill 1299. As Director of Pharmacy Services at St. Alexius Medical Center, I encourage modification to the current pharmacy ownership law. The law should be modified to allow health care facilities to own and operate pharmacies located at sites at which they provide other health care services. This modification will provide better access to pharmacy services into the future for the citizens of North Dakota. In urban areas, hospitals continue to provide a larger array of services with longer service hours for outpatient care. Allowing health care facilities in North Dakota to own and operate pharmacies will allow larger medical centers in the state to provide similar comprehensive services to those seen in other parts of the country. Because of this narrow modification to the ownership law, there would not be a significant impact to the current makeup of retail pharmacy in the State of North Dakota.

Since 1999, St. Alexius Medical Center has fully owned and operated a retail pharmacy. We are one of several hospitals in the state who own a retail pharmacy because the hospital pharmacy license was issued prior to the current pharmacy ownership law enacted in 1963. Hospital-owned retail pharmacies provide the same high quality services that other North Dakota pharmacies provide. A pharmacist-in-charge is required for all pharmacies by the North Dakota Board of Pharmacy. The pharmacist-in-charge, whether owning a majority share of the pharmacy or employed by a hospital is ultimately accountable to the North Dakota Board of Pharmacy for the activities of the pharmacy.

You may have heard that partnering with a majority owner pharmacist is a viable option for health care facilities to operate a pharmacy. St. Alexius Medical Center had been in a partnership with a majority owner pharmacist in the past. In the Fall of 2005, the majority owner decided to abruptly back away from the partnership because of his concern that the introduction of MediCare Part D and upcoming changes to Blue Cross Blue Shield prescription reimbursement would negatively affect the financial viability of the pharmacy. We desired to continue the partnership and keep the pharmacy open but had no control over the situation as his ownership was needed to maintain the license. Seeking another partner was also not feasible due to the short time line imposed by the pharmacist majority owner. The North Dakota Board of Pharmacy also denied a request to allow St. Alexius to operate the pharmacy. We feel that the closure of this pharmacy significantly impacted patient care and resulted in a significant financial loss to the Medical Center. Because of this, we do not feel that the provision of partnering with a majority owner pharmacist to operate a pharmacy in a health care facility is a viable option.

In conclusion, I believe modifying the current ownership law to allow health care facilities to own and operate a pharmacy will increase the access to pharmacy services and is a needed change to better serve the citizens of North Dakota. Please feel free to contact me if you have any questions.

Sincerely,

Keith Horner, PharmD; MPA  
Director of Pharmacy Services  
St. Alexius Medical Center  
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*"Let all be received as Christ."*