



March 21, 2025

Ms. Lynne Keilman-Cruz
Interim Director, Health Care Services
Alaska Department of Health
Division of Health Care Services
4601 Business Park Blvd., Bldg. K
Anchorage, AK 99503

RE: 2024 Cost of Dispensing Survey Results Released

Dear Interim Director Lynne Keilman-Cruz:

The American Pharmacists Association (APhA) appreciates the opportunity to comment on the 2024 Alaska [Medicaid Cost of Dispensing \(COD\) Survey](#) findings and their potential impact on pharmacy reimbursement. APhA is deeply concerned that any decrease in professional dispensing fees will have severe consequences for Alaska's pharmacies and the patients they serve.

Between 2010 and 2021, over 29 percent of pharmacies across the country closed, with Alaska having a closure rate of 25 percent.¹ In 2021, Alaska had the **fewest pharmacies of any state in the U.S.** and was tied with Colorado with having the fewest pharmacies per 10,000 population.² **Per responses to the COD survey, in 2024, Alaska only had 93 pharmacies, a nearly 10 percent decline since three years prior.** The rapid increase in pharmacy closures is due to pharmacies across Alaska being reimbursed below the actual cost of medications, leaving them unable to sustain operations. The absence of a fair and reasonable professional dispensing fee has exacerbated this crisis, making it nearly impossible for pharmacies to keep their doors open. These unsustainable practices are driving pharmacy closures at an alarming rate, disproportionately affecting areas where pharmacies often serve as the sole accessible health care provider.

The findings of the COD survey demonstrate that the cost of dispensing medications in Alaska remains significantly high, particularly for independent pharmacies and those serving remote or rural areas. A reduction in dispensing fees for any pharmacy in Alaska would threaten its financial viability, exacerbating closures across the state and limiting patient access to essential medications. This would disproportionately affect Alaska's most vulnerable populations, including Medicaid recipients who rely on local pharmacies for their medications, counseling, and critical health care services.

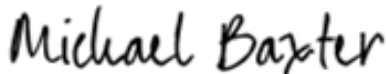
¹ Guadamuz JS, Alexander GC, Qato DM, et al. More US Pharmacies Closed Than Opened In 2018-21; Independent Pharmacies, Those In Black, Latinx Communities Most At Risk. *Health Aff (Millwood)*. 2024 Dec;43(12):1703-1711. doi: 10.1377/hlthaff.2024.00192.

² *ibid*

The consequences of these closures extend far beyond the pharmacies themselves. Communities are losing critical access to prescription medications, vaccinations, chronic disease management, and other essential health care services that pharmacists provide. Patients, especially those with limited transportation options or complex health needs, are being left with fewer resources to maintain their health and well-being.

For these reasons, APhA urges the Alaska Department of Health to maintain or increase the professional dispensing fee for all pharmacies to reflect the actual costs incurred by pharmacies. The Department must ensure that reimbursement levels are sufficient to support continued pharmacy access for Medicaid beneficiaries and to prevent additional closures that will harm patient care. APhA appreciates the opportunity to provide feedback and welcome continued engagement to ensure that Alaska's Medicaid program supports the sustainability of pharmacy services for all beneficiaries. If you have any questions, would like to speak to APhA pharmacists in Alaska, or require additional information, please do not hesitate to contact E. Michael Murphy, PharmD, MBA, APhA Senior Advisor for State Government Affairs, by email at mmurphy@aphanet.org.

Sincerely,

A handwritten signature in black ink that reads "Michael Baxter". The script is cursive and fluid.

Michael Baxter
Vice President, Government Affairs

cc: Brandy Seignemartin, PharmD, Executive Director, Alaska Pharmacists Association

About APhA: APhA is the largest association of pharmacists in the United States advancing the entire pharmacy profession. APhA represents pharmacists in all practice settings, including community pharmacies, hospitals, long-term care facilities, specialty pharmacies, community health centers, physician offices, ambulatory clinics, managed care organizations, hospice settings, and government facilities. Our members strive to improve medication use, advance patient care and enhance public health. **In Alaska, with 520 licensed pharmacists and 860 pharmacy technicians, APhA represents the pharmacists and student pharmacists that practice in numerous settings and provide care to many of your constituents.** As the voice of pharmacy, APhA leads the profession and equips members for their role as the medication expert in team-based, patient-centered care. APhA inspires, innovates, and creates opportunities for members and pharmacists worldwide to optimize medication use and health for all.