APhA
American Pharmacists Association

September 19, 2025

E. Mitchell Roob, Jr.
Secretary
Family and Social Services Administration
402 W. Washington St.
Indianapolis, Indiana 46204

RE: Notice of Update to Pharmacy Dispensing Fees

Dear Secretary Roob:

The American Pharmacists Association (APhA) appreciates the opportunity to comment on the Office of Medicaid Policy and Planning's (OMPP) public notice proposing to lower Indiana Medicaid's professional dispensing fee from $10.48 to $9.63, with an effective date of March 1, 2026.

APhA strongly opposes the proposed reduction. Indiana's dispensing fee has been set at $10.48 since the state's 2017 State Plan Amendment, which adopted the weighted mean cost of dispensing for Indiana pharmacies.[1] **Lowering the fee below that benchmark risks further eroding patient access to medications and pharmacist-provided care.**

Indiana law requires OMPP to survey pharmacy providers at least every two years to assess the appropriate level of dispensing fees and to evaluate other dispensing fees and relevant criteria when adjusting the fee. APhA supports the statute's intent to align reimbursement with the actual cost of dispensing. We acknowledge the results of the 2024 Indiana Medicaid Cost of Dispensing (COD) Survey conducted by Myers & Stauffer. While the weighted mean provides one perspective, it does not capture the complete picture of pharmacy sustainability. Nationwide, both large chains and small independent pharmacies are closing at alarming rates, a clear indication that pharmacies of all sizes are being under-reimbursed relative to their costs. In fact, between 2010 and 2021, over 29 percent of pharmacies across the country closed, **with Indiana having a closure rate of nearly 25 percent**.[2] This is not the time to reduce dispensing fees. In Indiana, lowering the rate to $9.63 would further strain pharmacies already struggling to cover rising wages, benefits, and overhead. Such a reduction risks accelerating closures across the state, limiting patient access to essential medications and services, and undermining the stability of the Medicaid network.

[1] https://www.medicaid.gov/State-resource-center/Medicaid-State-Plan-Amendments/Downloads/IN/IN-17-002.pdf
[2] 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.

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Access implications are not theoretical. Multiple independent studies document sustained pharmacy closures nationwide since 2010, with independent pharmacies and underserved communities disproportionately affected. Declining reimbursement and rising operating costs are key drivers of this trend. Reducing the dispensing fee during an ongoing period of closures risks accelerating losses of access, particularly in neighborhoods and rural areas where alternatives to access medications and health care services are limited. Indiana Medicaid beneficiaries would bear the brunt of these access disruptions.

For these reasons, APhA strongly urges the Indiana Family and Social Services Administration to maintain or increase the professional dispensing fee for all pharmacies to reflect the actual costs incurred by pharmacies and avoid unintended downstream costs to Hoosiers. The Administration 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 welcomes continued engagement to ensure that Indiana'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 Indiana, 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,

Michael Baxter

Michael Baxter
Vice President, Government Affairs

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 Indiana, with 6,200 licensed pharmacists and 11,040 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.