

Four months after a new federal prescription drug plan went into effect, Vinny Ippolito is finding life difficult as an independent pharmacist.

Faced with lower reimbursements, increased competition from chain drugstores and confused customers who must select from among nearly four-dozen benefit plans, small apothecaries are feeling the squeeze.

“My bread and butter is the prescriptions,” said Ippolito, whose 2-year-old Northgate Care Pharmacy is wedged into a small Waldorf shopping center across the street from a newly built CVS pharmacy. “I don’t sell a lot of other items, so if I don’t sell a lot of prescriptions, my existence is in jeopardy.”

Advocates believe the plight of many mom-and-pop pharmacies have been overlooked in the blitz to implement the Medicare Part D program, which Congress authorized in 2004. “You can say it’s a well-intentioned program that was not executed properly,” said Christopher Nave, associate director of government affairs for the National Community Pharmacists Association. About one-quarter of the 600 independent pharmacies surveyed by Nave’s organization have advanced their credit to cover up-front costs that have taken up to two months to repay. “Independent pharmacies have a narrow profit margin to begin with,” he said. “They’ve crunched that margin.”

Ippolito, who has about 100 Medicare customers, must pay drug manufacturers in advance, as well as utility costs and overhead expenses, which has made it challenging to stay afloat.

He is just now getting refunded — at a rate 3 percent less than what he was paid under the former Medicaid system — for drug orders made in February and March.

Plus, larger chain pharmacies — CVS, Walgreens, Rite Aid and Eckerd, among others — have more clout to negotiate higher reimbursements and are driving up competition, which is pushing out independent drug stores. “We’re not on an even playing field with the big providers,” Ippolito said. Ordering a three-month supply of a brand name drug, “I’m lucky if I break even.”

Additionally, Ippolito said some of the cards used to purchase drugs have chain drug store insignias on them, which has misled some customers into believing they can only have prescriptions filled at that pharmacy.

Rep. Steny H. Hoyer, a fierce critic of the GOP-backed prescription drug plan, sympathized with independent pharmacies' dilemma during a visit to Northgate Pharmacy on Friday.

Congressional Democrats supported a prescription drug program that would enable seniors to get repaid directly from the federal government, Hoyer said. The adopted plan benefits drug manufacturers and health insurance companies more than the general public, he said. Once the prescription plan matures, Hoyer (D-Md., 5th) believes the number of options will decrease and drug costs will skyrocket, forcing enrollees to swallow the extra expenses or pay out of pocket for their own medicine. "We certainly don't want to jettison the coverage that people have, but we do want to make it simple and more reliable," he said.

Senior citizens who qualify for Medicare — people older than 65 or certain individuals with disabilities — have until May 15 to enroll penalty-free in one of 47 prescription drug plans offered in Maryland.

If the financial and logistical problems are not resolved, Ippolito fears that he will not be able to afford participation in the Medicare Part D program, which could shutter his pharmacy.