

Birth Control Pill Pricing Notice

On Jan. 1, 2007 the 2005 Deficit Reduction Act went into effect, excluding student health facilities from receiving discounted prices on some medications, including hormonal birth control. The Deficit Reduction Act of 2005 was passed to in attempt to reduce the federal deficit and slow Medicaid and Medicare spending over a five-year period. The 2005 Deficit-Reduction bill primarily focused on Medicaid (the main federal health insurance program for the poor). Unfortunately, college health centers were also affected by the bill.

USC had very little warning that the change in pricing for contraceptives was going into effect Jan. 1, 2007. We received notice in mid- December of 2006. Fortunately, we were able to purchase a large bulk of contraceptives before the price increase and will be able to continue selling some contraceptives at a reduced rate for several months. However, when the supply runs out, the prices will triple in some cases.

University of South Carolina Student Health Center is among college health service providers around the country facing high prices for contraceptives. Basically the law took away incentives for drug companies to charge lower rates, meaning that the pharmacies no longer qualify for discounted birth control medication. Before the Deficit Reduction Act went into effect, pharmaceutical companies typically sold drugs at deep discounts to colleges and universities and we were able to pass these savings on to our students. As a result of this Act, contraceptive costs have increased significantly for the drug companies and for college health center pharmacies.

Currently, this act prohibits USC from receiving discounted prices on birth control. Several medications, including Ortho Tri-Cyclen Lo, NuvaRing, and Ortho Evra, have increased to more than \$50 per package from about \$12 to \$20.

The American College Health Association (ACHA) went to Washington, DC on Feb. 9 to meet with the staff of the Senate Finance Committee, asking the committee to consider a provision in the Act, which would allow college health facilities to continue receiving discounted birth control prices.

The ACHA argues that the federal Centers for Medicare and Medicaid Services should have added college health centers to the exemption lists. ACHA is advocating a proposed change in the Act that would exclude college health centers from the Act so that we can continue receiving the discounted drug prices. It is anticipated that a ruling will be made sometime this summer.

I want you to know that USC's Student Health Center shares your concerns and we are working with the ACHA to implement changes to the Act which might lessen the impact of the Reduction Act. In addition, the ACHA began an advocacy campaign in December 2007 and encourages students to write letters to their representatives in Washington to express how the legislation is affecting them. You can learn more about this by visiting www.acha.org. We encourage you to submit letters to voice your opinions.