**Tennessee Pharmacists Association**
**Position Statement**

**SB 0033 by Overbey / HB 0122 by Shepard**

Taxes, Exemption and Credits – As introduced, exempts diabetic testing supplies from sales and use tax. - Amends TCA Title 67, Chapter 6, Part 3

**Intent:** Exempts from state and local sales tax, the sale of diabetic testing supplies, including but limited to lancets, test strips for blood glucose monitors, and visual reading and urine test strips for human use. As the representatives of pharmacists in Tennessee, our first priority is the health and welfare of the citizens of our state through supporting the model of patient care that our patients have grown accustomed to receiving. An important piece of this care provided on both fronts is an effective business model that maintains patient access to care and the viability of community pharmacy practice sites, in particular as it pertains to this bill, diabetic testing supplies.

**TPA Position: The Tennessee Pharmacists Association respectfully urges the members of the Tennessee General Assembly to SUPPORT SB 0033 and HB 0122. Taxing these supplies is a tax on illness and is not good public policy.**

**Background:**

- An estimated 12.2% of Tennessee adults* (over 700,000) having been told by a healthcare provider they have diabetes in 2013.
- Based on the American Diabetes Association (ADA) treatment guidelines, patients should self-monitor their blood glucose to improve health outcomes. Patients on insulin therapy should check their blood glucose 3 or more times daily. Most diabetes patients monitor their blood glucose utilizing a glucometer, a testing device approved by the FDA for home use by patients.
- Diabetic patients must carry the burden of frequent testing to ensure their blood sugar is at a steady and safe level throughout the day. Especially considering patients who require the use of insulin therapy, blood glucose monitoring is often needed with each meal, snack, and various other times of the day to make certain patients are safe from hyper or hypoglycemic events, which avoids unnecessary hospital visits and saves health care expenditures.
- Medical costs for patients with diabetes are more than double compared to patients without diabetes.

**Key Provisions:**

- This bill would amend Section 67-6-314(7) and exempt the sale of diabetic testing supplies from state and local tax, including syringes used for insulin, lancets, test strips for blood-glucose monitors, and visual reading and urine test strips for human use.
- Under the Durable Medical Equipment Act [TCA 67-6-102 (34)(A)], glucometers used for diabetic testing are defined as durable medical equipment and are exempt from sales tax pursuant to a prescription order [TCA 67-6-314(2)]. However, the lancets and strips that are essential to utilize these glucometers are not. While nearly all health insurance companies pay for these supplies, the pharmacy reimbursement has not included sales tax.
- By not providing compensation for the sales tax incurred, more pharmacies are struggling to continue to provide care for their patients.

**Fiscal Impact:** *Pending*
**Effective Date:** July 1, 2015

**We ask that you support SB 0033/HB 0122 to provide sales tax exemptions for patients and pharmacies providing these services. Below is a brief summary of SB 0033/HB 0122 and the Tennessee Pharmacists Association position. As always, please feel free to contact our office should you have any further questions.**