



PHARMACISTS UNITED FOR
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**FLORIDA COMMUNITY PHARMACIES LOSSES TOP \$1.55 MILLION FILLING
PRESCRIPTIONS, PBMs REVENUES EXCEED \$279 MILLION**

**Independent Pharmacies Compelled to Fill Prescription Despite “Clawbacks”, Below-Cost
Reimbursements; Patient Copays Pass Through to PBMs**

TALLAHASSEE, FL (January 24, 2018) – Florida’s independent pharmacies lost \$469,016 last week filling prescriptions, bringing total losses to \$1,553, 816 since January 1, 2018. Meanwhile the largest pharmacy benefits management companies (PBMs) generated an estimated \$279 million during the same period, according to Pharmacists United for Truth and Transparency (PUTT). Based outside of Florida, the largest PBMs - CVS/Caremark, Express Scripts and OptumRx (a division of UnitedHealthcare) - contract with small business pharmacies but those contracts contain “take it or leave it” conditions, including reimbursements below a drug’s average wholesale price.

“Often the only way a small pharmacy can have patients to serve is to contract with PBMs, which is tantamount to making a deal with the devil,” said Teresa Stickler, PUTT president. “The largest PBMs cover millions of lives and hold most - if not all - of the contracts for Medicare and Medicaid Managed Care. The competitive playing field is tipped in favor of the PBM, but if a pharmacy wants to have patients, they must contract with PBMs. In the end it’s the patients who literally pay the price.”

Patients typically pay a “copay” for their medications - a predetermined price per medication set by the PBM, who tells the pharmacy what to charge the patient. Pharmacies are subject to “clawbacks” when a patient’s copay exceeds the negotiated reimbursement price for the medication - a negotiation which takes place between the PBM, the health plan sponsor and/or patient’s employer but NOT the pharmacy. The PBM then bills the pharmacy for the difference, which often exceeds the wholesale price of the medication, effectively “clawing back” the patient’s copay and profiting the PBM’s bottom line.

The average pharmacy fills just over 200 prescriptions per day, according to annual data provided by the National Community Pharmacy Association. Just over 90 percent of the prescriptions processed by Florida's more than 1300 independent pharmacies come through a PBM third party. Based on information received on the spread pricing of two prescriptions by one of the country's largest PBMs, PUTT used \$77 as the average per-prescription profit to determine the potential \$99 million PBMs generated for the week ending January 20, 2018. Added to the previous two week's revenues, PBMs have generated more than \$279 million to date while small business pharmacies have lost greater than \$1.55 million. The losses experienced by independent pharmacies between January 1 and January 20 were the result of manipulation of non-transparent MAC (maximum allowable cost) formulary contracts - lists of drugs whose pricing is kept proprietary and not shared with the dispensing pharmacy, insurance payer or patient.

Late last week Express Scripts sent letters to 2,600 patients warning them if they continued to use their current small pharmacy, they could expect to pay more unless they switched to a "preferred pharmacy" - generally a large chain such as Walgreens or Rite Aid. After sending the letters, which were personally addressed to Medicare Part D patients and listed the name of the patient's current pharmacy, Express Script acknowledged the letters were a "mistake." Meanwhile small pharmacies from Wisconsin to New York learned about the letters after their Medicare patients began moving their prescriptions to the larger retail drug stores.

Originally intended to process prescription claims, PBMs portray themselves as helping reduce costs. However, PBMs are nothing more than the middle men in the pharmacy industry. The largest PBMs have recently been called out for antitrust activities including questionable pricing, unfair practices and passing on costs that make it difficult for all, including the largest pharmacy chains, to do business. The result is an unlevel playing field that has forced hundreds of independent pharmacies, often serving small and/or rural communities, out of business.

Pharmacists United for Truth and Transparency (PUTT) exists to unify, promote and preserve independent pharmacies through education and access; to monitor PBM and other industry practices which, when identified as abusive, are exposed in various manners in the interest of improving the quality, safety and cost of patient care. For more information about the negative impact of Pharmacy Benefits Management company practices on the cost and accessibility of medications, or to learn more about PUTT, visit TruthRx.org or contact Monique Whitney, (505) 480-4150.

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