



PHARMACISTS UNITED FOR
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**“OUTRAGEOUS AND IMMORAL”: PBM PROFITS AT \$379 MILLION TO DATE, FLORIDA
COMMUNITY PHARMACIES’ LOSSES EXCEED \$2.2 MILLION**

**Small Business Pharmacies Subjected to Below-Cost Reimbursements, “Take It or Leave It”
Contracts and Removal from Network for Speaking Out**

TALLAHASSEE, FL (January 30, 2018) – As the largest pharmacy benefit management companies (PBMs) continue to rack up hundreds of millions in revenues that are destined to leave the state, Florida’s independent pharmacies’ losses also continue to mount. Last week Florida’s independent pharmacies lost another \$693,101 in reimbursements on already-filled prescriptions, bringing their total losses to \$2,246,917 since January 1, 2018. In that same period, PBMs generated an estimated \$378.4 million. Pharmacists United for Truth and Transparency (PUTT), an independent pharmacy advocacy group, has been collecting data in Florida since 2017.

Losses by small business pharmacies have not gone unnoticed at the state government level. The Maryland Insurance Administration met earlier this month for a briefing to the Maryland House Health & Government Operations Committee to discuss findings compiled by their Short Term Medical Working Group. The report raised eyebrows among state delegates and resulted in direct criticism of how PBMs seem to profit at taxpayers’ and community pharmacies’ expense.

“There have been multiple lawsuits brought by attorneys general all around the country that have brought in lucrative settlements because of the bad behavior of PBMs ,” said Nicholas R. Kipke, a Republican Delegate in Maryland’s House of Delegates. “The amount of money being made (by PBMs) is outrageous and immoral.”

Based outside of Florida, the largest PBMs - CVS/Caremark, Express Scripts and OptumRx (a division of UnitedHealthcare) - contract with small business pharmacies to serve patients, but those contracts come at a cost. PBMs include “take it or leave it” terms and conditions, including reimbursements below a drug’s wholesale price. Pharmacists are prohibited from sharing details of their

contract conditions because doing so would disclose so-called “trade secrets”. Many pharmacies have been threatened with removal from PBM networks for disclosing such “trade secrets.”

The average pharmacy fills 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 27, 2018. Added to the previous three week’s revenues, PBMs have generated more than \$378 million to date while small business pharmacies have lost greater than \$2.2 million. The losses experienced by independent pharmacies between January 1 and January 27 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.

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.

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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