



PHARMACISTS UNITED FOR  
TRUTH AND TRANSPARENCY  
TRUTHRX.ORG

CONTACT: Monique Whitney, APR  
Pharmacists United for Truth and Transparency  
m. (505) 480-4150  
Monique@TruthRx.org

**FOR IMMEDIATE RELEASE**

February 6, 2018

**PBM PROFITS \$477 MILLION, FLORIDA COMMUNITY PHARMACIES' LOSSES TOP \$2.6  
MILLION IN FIRST 5 WEEKS OF 2018**

**Predatory PBM Business Practices Causing Lawmakers to Consider Making the Pharmacy  
Benefits "Middlemen" Illegal In Some States**

TALLAHASSEE, FL (February 6, 2018) – Five weeks into 2018, Florida's independent pharmacies continue the losing battle against pharmacy benefit management companies (PBMs). The latest figures show the state's small business pharmacies - many serving small and rural communities - lost another \$439,400 last week from PBMs reimbursing prescriptions below cost, bringing total losses since January 1 to \$2,686,317. In the same period, PBMs generated an estimated \$477.4 million in revenues earned between the amount they charged health plans and what they reimbursed the independent pharmacies for prescriptions dispensed to those health plans' enrollees, according to data obtained by Pharmacists United for Truth and Transparency (PUTT), an independent pharmacy advocacy group.

Prompted by constituents' outcry after expansion to Medicaid caused small pharmacies to have to choose between operating at deep losses or turning patients away, the Arkansas Health Insurance Marketplace Oversight Committee met last week to review testimony by local pharmacists and question officials from the PBM managing Arkansas' Medicaid prescription plan. Following nearly two hours of testimony detailing examples of prescriptions reimbursed so far below cost pharmacies were forced to choose between losing money filling prescriptions or turning patients away; of hundreds of unanswered MAC appeals (the process by which pharmacies request below-cost reimbursements be reviewed and rectified) and other abusive practices, the Committee concluded by demanding the PBM review and submit data on the number of unanswered claims by pharmacies. The process left one legislator frustrated and considering how to make PBMs illegal in Arkansas.

"We applaud Arkansas, Maryland and the other states who have started to question the PBM business model and pierce the veil of secrecy," said PUTT President Teresa Stickler. "Taxpayers deserve to know who's profiting from their Medicaid and Medicare tax dollars. And if the PBMs think taxpayers

can't handle truth and transparency, then they are clearly out of touch with their customers. The era of the invisible PBM middleman is over. The non-transparent PBM business model is quickly becoming obsolete.”

PBMs - including 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 February 3, 2018. Added to the previous four weeks’ revenues, PBMs have generated more than \$477 million to date while small business pharmacies have lost greater than \$2.6 million. The losses experienced by independent pharmacies between January 1 and February 3 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.

Originally intended to process prescription claims, PBMs portray themselves as helping reduce costs. However, PBMs are nothing more than the “middlemen” 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](http://TruthRx.org) or contact Monique Whitney, (505) 480-4150.

# # #