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**PHARMACISTS CALL OUT NEW YORK'S LARGEST MANAGED CARE PBM
FOR ABUSE OF POWER, LIMITING PATIENT ACCESS TO MEDICINE**

Unexpected Changes Endanger Generic Drug Supply, Leave Patients
Choosing Between Hunting for Prescriptions and Going Without
Medication

NEW YORK (November 29, 2017) - Members of the Pharmacists Society of the State of New York (PSSNY) are insisting on answers from CVS/Caremark, the state's largest Pharmacy Benefit Manager (PBM) following what appeared to be an arbitrary, unannounced change to its generic drug reimbursement policy last month that left pharmacies footing the bill for generic prescriptions that are supposed to be covered under Medicaid and other prescription drug plans.

On Oct. 26, 2017, community pharmacies began experiencing immediate and dramatic repercussions resulting from what CVS/Caremark called "adjustments" to pharmacy reimbursements for generic medications covered under NYS Medicaid Managed Care plans, many of which contract with CVS/Caremark to manage the pharmacy benefit. The unexpected downward price cuts resulted in pharmacies reimbursed far below their cost for generic drugs they dispense. Many pharmacies were seeing reimbursements of 40% or more below cost on generic drugs.

"The fact that a PBM could make this kind of 'adjustment' and implement it without notice demonstrates the power PBMs have within the healthcare system, and how easy it is to abuse that power," said Kathy Febraio, PSSNY Executive Director. "If a PBM can implement sudden across-the-board changes that impact thousands of lives without accountability, what's to prevent them from doing it again in the future?"

While the motive for the sudden change to reimbursements was unclear, speculation included indications that CVS/Caremark wanted to "test the waters" for "pushback" from pharmacies, according to a source familiar

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PSSNY AFFILIATIONS:

National

American Pharmacists Association
American Society of Consultant Pharmacists
National Alliance of State Pharmacy Associations
National Community Pharmacists Association

State Affiliates

Bangladeshi-American Pharmacists Association
Capital Area Pharmacists Society
Hudson Valley Pharmaceutical Society
Indo-American Pharmaceutical Society
Italian-American Pharmacists Society
Korean-American Pharmacists Association of NY
Long Island Pharmacists Society
Mohawk Valley Pharmacists Society
New York City Pharmacists Society
Northern New York Pharmacists Society
Onondaga County Pharmacists Society
Pakistani-American Pharmaceutical Association
Pharmacists Association of the Southern Tier
Pharmacists Association of Western New York
Pharmacists Society of Orange County
Pharmacy Society of Rochester
Westchester & Rockland Society of Pharmacists

NYS Colleges of Pharmacy

Albany College of Pharmacy and Health Sciences
Binghamton University School of Pharmacy and
Pharmaceutical Sciences
D'Youville College School of Pharmacy
LIU, Arnold & Marie Schwartz College of
Pharmacy and Health Sciences
St. John's University College of Pharmacy
& Health Sciences
Stony Brook University School of Pharmacy and
Pharmaceutical Sciences
Touro College of Pharmacy
University at Buffalo School of Pharmacy
and Pharmaceutical Sciences
Wegmans School of Pharmacy, St. John
Fisher College



with CVS/Caremark. As the changes were unfolding, PSSNY reached out to CVS/Caremark senior management to remediate the situation.

“Under the October 26 ‘adjustments’, community pharmacies realized they could no longer afford to carry prescriptions they were under-reimbursed for,” said Roxanne Richardson PSSNY President. “Filling prescriptions below cost is unsustainable and WILL force a pharmacy owner to have to choose between stocking inventory at a loss and going out of business, or decreasing their services to their patients. Many of these patients are complicated with multiple medical conditions being treated. Patients may have to choose whether to give up their chosen pharmacy, or being bothered to go out of their way to find a different pharmacy, or they may go without their medicine altogether. This makes it a patient choice and a patient safety issue.”

CVS/Caremark’s Oct. 26 change to its generic drug reimbursement policy also affected pharmacies in California, New Jersey, Ohio, Florida, and Pennsylvania, according to the Pharmacists United for Truth and Transparency (PUTT), a coalition of independent pharmacy owners committed to exposing PBMs and their anti-competitive practices.

Said PUTT President Teresa Stickler, “As long as PBMs remain unregulated, it will be difficult to enforce transparency and anti-clawback or other laws meant to protect patients. PBMs defy definition - they are not insurance companies, nor are they health care providers. PBMs’ acronym should be for what they truly are: *Pharmacy Business Middlemen*. They collect revenues from all sides, profiting off the backs of plan sponsors, patients and pharmacies. They are certainly not what they attempt to portray to the public.”

CVS/Caremark, Express Scripts and OptumRx are the largest PBMs, holding a combined 79 percent of the prescription drug benefit market. In its annual list of Top 100 U.S. Corporations, *Fortune* magazine listed CVS Health, parent company of CVS/Caremark, 7th with revenues of \$153 billion to date in 2017; Express Scripts was listed 22nd with revenues of \$100.8 billion in 2016. OptumRx, a division of privately-held UnitedHealthcare, generated revenues of \$22.2 billion in 2016 but was not included in *Fortune’s* list.

The Pharmacists Society of the State of New York (PSSNY) has served as the society for the state’s pharmacists for more than 138 years providing advocacy and resources to pharmacists to improve patient care. To learn more about PSSNY, visit www.PSSNY.org.

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 PBM practices on the cost and accessibility of medications, or to learn more about PUTT, visit www.TruthRx.org.

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