



**Pennsylvania
Pharmacists
Association**

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"CVS's existing combination of a pharmacy (which dispenses drugs) and a pharmacy benefits manager (which reimburses other pharmacies for dispensing drugs) is a disaster for competition and access...CVS/Caremark, manager of tens of millions of individual drug benefits and also a pharmacy, sets their competitors' profit margins, while gaining access to all their sales records. In plain English, this is a conflict of interest. And since late October, the squeeze has been on."

- The American Prospect, 2018 -

Reimbursement Cuts Are Killing Community Pharmacies



Massive Cuts

On October 26, 2017, CVS/Caremark slashed pharmacy reimbursement rates forcing pharmacies to dispense most generic medications at a significant loss.

-\$40

Pharmacies are losing \$40 or more when they dispense generic Tamiflu as a result of these CVS cuts. This is coming in what is being called "the worst flu season in a decade."



Do you want to sell?

While CVS was cutting reimbursement rates through its PBM it also sent letters and emails offering to buyout independently owned pharmacies struggling to stay in business.

-\$337.63

In one case a pharmacy paid \$371.90 to stock Bromocriptine and was only reimbursed \$34.27 when dispensing this medication. This amounted to a direct product loss of \$337.63.



CVS's Profits Soar

CVS is cutting the money it pays pharmacies, but isn't returning those dollars to insurers or the state. Patients, pharmacies, and the state are all losing money as CVS's profits soar.

\$178,000,000,000

Last year CVS had revenues of nearly \$178 billion placing it in the Fortune 500 top ten list. This came as CVS cut reimbursements and kept up to 90% of money it billed to insurers.