

Impact of PBMs on Community Pharmacies and Their Patients



Jessi Stout, PharmD - Table Rock Pharmacy Owner
April 25, 2024

About Me

2008

Graduated from UNC Eshelman School of Pharmacy

2009

Completed a residency at Atrium in Charlotte

2009-2017

Worked as a Sr. Clinical Advisor and Product Manager at Premier, Inc. in Charlotte

November 2017

Moved back to Morganton, began working at Table Rock Pharmacy

March 2019

Purchased Table Rock Pharmacy from my parents



Professional & Community Involvement

CPESN luminary and board member

NCAP IPN leadership committee member

NC legislative board member involved in introduction of H 246

Burke County Health Department board member

Burke Co. Substance Use Disorder Coordination Group member

Preceptor for UNC Eshelman School of Pharmacy

Agenda

Highlight the importance of independent pharmacies

Understand the role of PBMs & CVS Caremark

Discuss specific issues with CVS Caremark as related to NC's state health plan

Review findings and successes in other states

Table Rock Pharmacy



1990
Founded

2200
Patients serviced/month

1200
Medicaid/Medicare patients serviced/month

215
State employees serviced/month

~10,750
COVID-19 vaccines administered

~2,230
COVID-19 tests administered

Countless
Services offered that local chain pharmacies do not

11
Schools in the county for which annual onsite employee flu/COVID clinics are provided, free of charge (including the local community college)

The Importance of Independent Pharmacies

ENHANCED SERVICES

Free Same-Day Delivery

Free Medicare Plan Consultation

Free Blood Pressure & Blood Glucose Checks

Travel Vaccine Consultation

Medication Synchronization (MedSync)

Adherence Packaging (Rapid Pak)

COVID-19/Flu Testing

Comprehensive Medication Reviews

Onsite Vaccine Clinics

Custom Compounding

After-hours Emergency Phone Line

After-hours Emergency Delivery Service

In-home Vaccinations for Homebound Patients

Curbside Vaccine Service

Hormonal Contraceptive Prescribing

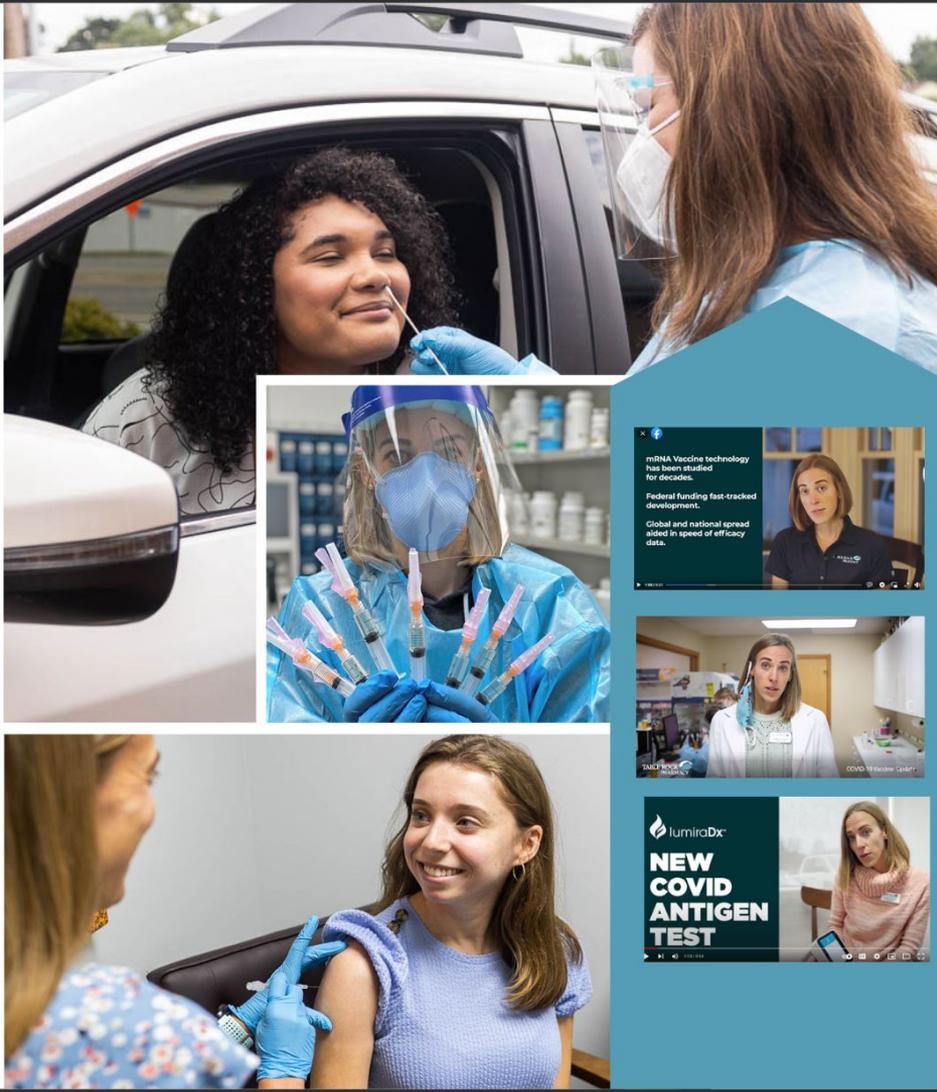
Long Acting Injectable Administration



FIRST RESPONDER

- December 2020** Early adopters of COVID-19 testing
- Entire pandemic** Regularly created content to educate the community
- March 2021** First independent pharmacy in the county to begin providing COVID-19 vaccines
- December 2021** Only pharmacy in the county to administer REGEN-COV to treat COVID-19

[Click here for a short video on what makes us unique](#)





FIRST RESPONDER

December 2021

First pharmacy in the county to begin offering COVID-19 oral antivirals

January 2022

Only pharmacy in several counties to administer EVUSHELD to prevent COVID-19

April 2022

First pharmacy in the county to become certified in and begin offering hormonal contraceptive prescribing

May 2022

First pharmacy in the county to offer A1C testing for diabetes

May 2023

First pharmacy in the county to offer long acting injectables administration

The Role of PBMs & CVS Caremark

What is a PBM and What is its Purpose?

- PBM = pharmacy benefit manager
- Middle men created in the 1960's to help insurance companies control spending on medications
- Role has expanded and turned into a monopoly controlling most aspects of filling a medication through insurance
- No other country in the world has PBMs (note that US drug prices are also **278%** higher than other developed countries¹)
- Have had a tremendous impact on U.S. health care decision-making and drug costs²
- Make money from almost every player in the prescription supply chain, including the patient... yet they never touch a medication.²
- Ultimately pursue profits at the expense of quality patient care.²



[Click for a quick video that simplifies PBM practices](#)

1. <https://www.managedhealthcareexecutive.com/view/u-s-drug-prices-are-278-higher-than-other-developed-countries-says-rand-study>

2. NCPA PBM 101 04-2023 Slidedeck

PBM Facts



80%

Of market controlled by 3 PBMs

Just 3 PBMs control over 80% of prescription drug benefit transactions: Express Scripts, CVS Caremark & Optum¹

222%

Increase in patient out-of-pocket costs

From 1987-2019, there was a 1279% increase in prescription drug benefit costs & a 222% increase in patient out-of-pocket costs²

\$120

Billion

PBMs fail to pass \$120 billion back to customers²

107,400%

DIR Increase

Between 2010-2020, DIR fees increased by 107,400%¹

2,200

Independent pharmacies closed

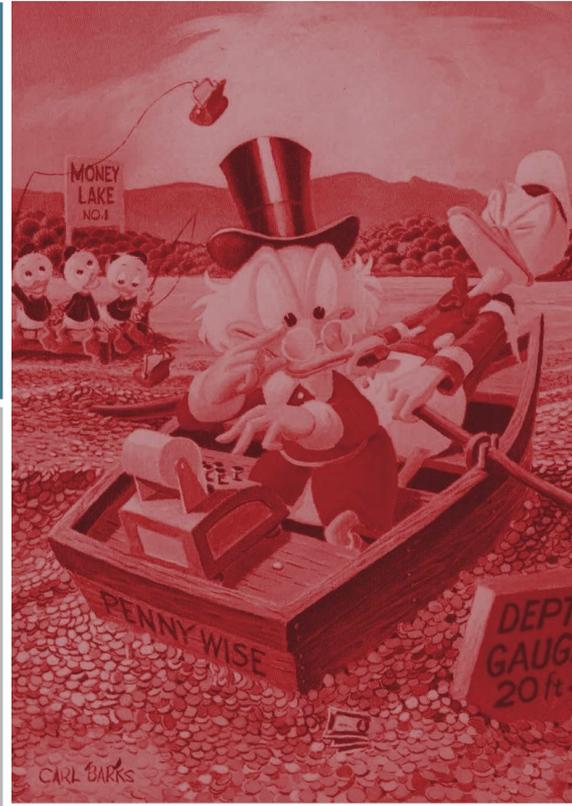
IQVIA estimates that between December 2017 and December 2020, almost 2,200 pharmacies closed nationwide¹

1. <https://ncpa.org/sites/default/files/2021-08/PBM-Storybook-One-Pager.pdf>

2. <https://www.nacds.org/dir-fees/>

Unregulated PBM Practices

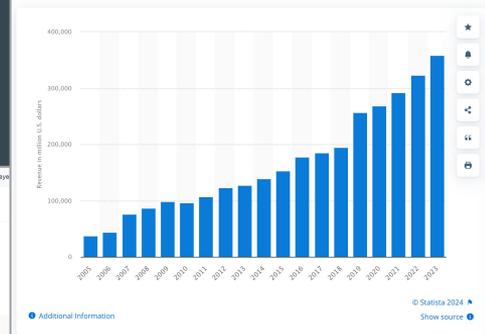
1 Spread pricing	2 Patient steering to PBM-owned pharmacies	3 Forced mail order	4 Below cost reimbursement
5 Forced brand dispensing	6 Take it or leave it contracts	7 DIR (Direct and Indirect Remuneration) Fees - ending this year	8 Unfair audits



CVS Caremark Facts

- CVS Caremark controls a whopping **33%** of the PBM market
- In 2023, CVS Health Corporation generated approximately **357.8 billion** U.S. dollars of revenue in total, an increase compared to the previous years (a **10.9% increase** from 2022). This value is the highest ever registered in the considered time frame.

CVS Health's revenue from 2005 to 2023
(in million U.S. dollars)



Updated: 04/18/2024

Our promise. We provide a buying advantage with verified reviews and unbiased editorial research.

ABOUT CVS CAREMARK

CVS Caremark Reviews

ConsumerAffairs has collected 1,668 reviews and 5,007 ratings.

Get Accredited Business Loans BBB Scam Tracker

Resources for Businesses My BBB

Customer Reviews

1/5
Average of 751 Customer Reviews

Customer Complaints

2,210 complaints closed in last 3 years
778 complaints closed in last 12 months

BBB Rating & Accreditation

F

THIS BUSINESS IS NOT BBB ACCREDITED

Years in Business: 61

Customer Reviews are not used in the calculation of BBB Rating

Reasons for BBB Rating

Table Rock Pharmacy and Compounding

4.9 ★★★★★ 191 Google reviews

Small business · Pharmacy in Morganton, North Carolina

CVS Pharmacy

2.6 ★★★★★ 17 Google reviews

Pharmacy in Morganton, North Carolina

Issues with Caremark & the NC State Health Plan

Issues with Caremark & the NC State Health Plan

- Below cost reimbursement
- Spread pricing
- Reimbursement discrepancies for independent vs. chain pharmacies
- GoodRx partnership
- Patient steering (CVS specialty)

Reimbursement Below Cost

Contracts forbid pharmacies from telling the patient we are unable to fill their medication because of the loss we would incur. Pharmacies that have not taken heed to this have had customers complain to the PBM and have had their contract revoked.

Dispense [1] Image [2] Escript [3] DUR/More [4] Workflow/Claims [5] Rx Edits [6] Fill Audit [7] Refill 2 Refilled 2 times

Primary: (P)Advance 2 - 004336 - - RX0274 ✓
Secondary: <None>

Item: Isosorbide-Hydralazine 20-37.5 Mg Tablet (50742-0246-90) (A)
AWP: \$377.42 MAC: \$0.00 BOH / EOH: 0 / 0
Quantity: 90 PS: 90 EA Remaining: 4 360 EA

Base:	\$85.87
Fee:	\$0.10
Subtotal:	\$85.97
Tax:	\$0.00
Total:	\$85.97
Last Price:	
U&C:	\$0.00
Copay:	\$30.00
Remit:	\$55.97
Total Paid:	\$85.97
Net Cost:	\$158.73
Net Profit:	(\$72.76)

Medication: isosorbide-hydralazine (heart failure)
Reimbursement: \$85.97
Cost: \$158.73
Total loss (medication alone): \$72.76

Dispense [1] Image [2] Escript [3] DUR/More [4] Workflow/Claims [5] Rx Edits [6] Fill Audit [7] Original

Primary: (P)Advance - 004336 - - RX0274 ✓
Secondary: <None>

Item: Neomycin-Polymyxin-Hc 1% Ear Soln MI (24208-0631-10) (Ac)

Base:	\$25.02
Fee:	\$0.10
Subtotal:	\$25.12
Tax:	\$0.00
Total:	\$25.12
Last Price:	
U&C:	\$0.00
Copay:	\$5.00
Remit:	\$20.12
Total Paid:	\$25.12
Net Cost:	\$32.37
Net Profit:	(\$7.25)

Medication: neomycin-polymyxin-HC (ear infection)
Reimbursement: \$25.12
Cost: \$32.37
Total loss (medication alone): \$7.25

Dispense [1] Image [2] Escript [3] DUR/More [4] Workflow/Claims [5] Rx Edits [6] Fill Audit [7] Original

Primary: (P)Advance 2 - 004336 - - RX0274 ✓
Secondary: <None>

Item: Budesonide-Formoterol Fumarate 160-4.5 Mcg/Act Inh (00310)

Base:	\$117.40
Fee:	\$0.10
Subtotal:	\$117.50
Tax:	\$0.00
Total:	\$117.50
Last Price:	
U&C:	\$0.00
Copay:	\$5.00
Remit:	\$112.50
Total Paid:	\$117.50
Net Cost:	\$145.89
Net Profit:	(\$28.39)

Medication: budesonide-formoterol (asthma)
Reimbursement: \$117.50
Cost: \$145.89
Total loss (medication alone): \$28.39

Dispense [1] Image [2] Escript [3] DUR/More [4] Workflow/Claims [5] Rx Edits [6] Fill Audit [7] Refill 2 Refilled 2 times

Primary: (P)Advance - 004336 - - RX0274 ✓
Secondary: <None>

Item: Colestipol Micronized 1 Gm Tab (59762-0450-01) (Active) (Rx)

Base:	\$47.39
Fee:	\$0.10
Subtotal:	\$47.49
Tax:	\$0.00
Total:	\$47.49
Last Price:	
U&C:	\$0.00
Copay:	\$5.00
Remit:	\$42.49
Total Paid:	\$47.49
Net Cost:	\$62.44
Net Profit:	(\$14.95)

Medication: colestipol (cholesterol)
Reimbursement: \$47.49
Cost: \$62.44
Total loss (medication alone): \$14.95

Reimbursement Below Cost - 2024 Claims at an NC Independent Pharmacy

Medication	Caremark Reimbursement	Loss (Drug Alone) <i>Add at least \$12.40 for cost to dispense</i>	Medicaid Reimbursement	Medicaid-Caremark Difference
Colestipol 1 Gm Tablet	\$47.49	-\$47.23	\$109.45	\$61.96
Oxycodone-Apap 10-325 Mg Tablet	\$12.62	-\$13.42	\$34.37	\$21.75
Cephalexin 250 Mg/5ml Susp	\$8.28	-\$11.85	\$24.45	\$16.17
Prednisolone Acetate 1% Eye Susp	\$15.8	-\$8.91	\$36.14	\$20.34
Dicyclomine Hcl 10 Mg Cap	\$7.43	-\$8.1	\$38.52	\$31.09
Albuterol Sul 1.25 Mg/3 MI Sol	\$12.2	-\$7.76	\$35.92	\$23.72
Neomycin-Polymyxin-Hc 1% Ear Soln	\$25.12	-\$7.25	\$56.34	\$31.22
Dextroamphetamine salts 20mg IR Tab	\$16.53	-\$6.87	\$29.54	\$13.01
Oxycodone Hcl 20 Mg Tab	\$13.74	-\$6.73	\$29.59	\$15.85

Note: The cost to dispense a medication in 2018 was \$12.40 (most current data available - this figure is most certainly more in 2024)

Spread Pricing

What is it? When the PBM charges the payer more than the pharmacy is paid for a medication and keeps the difference as profit.

Typically spread pricing is not disclosed to the payer, so they pay more than they realize due to these markups.¹

Banning spread pricing in state Medicaid managed care programs would save federal taxpayers \$1 billion over 10 years².

Example:

PBM pays Table Rock Pharmacy \$10 for metformin

PBM charges NC \$40

PBM pockets the difference (\$30)

PBM makes **\$360** off this one medication for one patient over the course of the year.



1. <https://arayax.com/pbm-spread-pricing-explained/#:~:text=What%20is%20Spread%20Pricing%3F,prescription%20drug%20costs%20for%20consumers>

2. <https://www.protectingtaxpayers.org/healthcare/congress-must-rein-in-pbms/>

Reimbursement Discrepancies

- Same medication (Jardiance 25 mg), different reimbursement at different pharmacies in the same town
- Why are these chain pharmacies reimbursed more for this medication?
- Is this Spread Pricing?
- How Much is CVS Charging the State? \$559.69? \$555.97?

Cost details

Drug: Jardiance 25mg Tablet
Days Supply: 30
Total Quantity: 30
NDC: 597015330
Channel: Walmart Pharmacy 10-1060

Walmart Pharmacy

Your estimated cost	Your plan pays	Total cost
\$30.00	\$559.69	\$589.69
Annual: \$360.00	Annual: \$6,716.28	Annual: \$7,076.28

Cost details

Drug: Jardiance 25mg Tablet
Days Supply: 30
Total Quantity: 30
NDC: 597015330
Channel: Walgreens 19002

Walgreens

Your estimated cost	Your plan pays	Total cost
\$30.00	\$555.97	\$585.97
Annual: \$360.00	Annual: \$6,671.64	Annual: \$7,031.64

Cost details

Drug: Jardiance 25mg Tablet
Days Supply: 30
Total Quantity: 30
NDC: 597015330
Channel: Table Rock Pharmacy

TABLE ROCK PHARMACY & COMPOUNDING

Your estimated cost	Your plan pays	Total cost
\$30.00	\$551.99	\$581.99
Annual: \$360.00	Annual: \$6,623.88	Annual: \$6,983.88

Reimbursement Discrepancies

- CVS is paid \$7.46 and we are paid \$0 for the same medication

Cost details

Drug: Sertraline Hcl 50mg Tablet
Days Supply: 90
Total Quantity: 90
NDC: 69097083412
Channel: Table Rock Pharmacy

Table Rock PHARMACY & COMPOUNDING

Your estimated cost	Your plan pays	Total cost
\$14.94	\$0.00	\$14.94
Annual: \$59.76	Annual: \$0.00	Annual: \$59.76

Co-pay or coinsurance: \$14.94
Amount applied to deductible: \$0.00
Additional Charges: \$0.00 ⓘ
HRA: \$0.00

Cost details

Drug: Sertraline Hcl 50mg Tablet
Days Supply: 90
Total Quantity: 90
NDC: 69097083412
Channel: CVS Pharmacy 06401

CVS pharmacy™

Your estimated cost	Your plan pays	Total cost
\$15.00	\$7.46	\$22.46
Annual: \$60.00	Annual: \$29.84	Annual: \$89.84

Reimbursement Discrepancies - Georgia State Health Plan

BELL'S FAMILY PHARMACY CLOSES IN TATE GEORGIA JUST AS PRICING DISPARITIES IN STATE HEALTH BENEFIT PLAN DISCOVERED



- Bell's Family Pharmacy (pictured above) in Tate, Georgia closed its doors on February 17, 2024, citing low reimbursements and other PBM practices as the primary cause. It was the only stand-alone retail pharmacy in the town.
- Bell's closure is part of a disturbing pattern of independent pharmacy closures over the last several years including Arnold's Drug Co. (Cornelia), Concord Pharmacy (Dunwoody), Suwanee Pharmacy, Jones Pharmacy (Fayetteville), Randy's Pharmacy (Helen), Clarkesville Drugs, Scottie Discount Drugs (Hartwell), Scottie Discount Drugs (Royston), Prescription Shop (Statesboro), Medical Center Pharmacy (Fayetteville), Larry's Pharmacy (Waycross), and more.
- Despite offering high touch clinical and personalized service, GA independent pharmacies continue to suffer at the hands of large PBMs including low and underwater reimbursements in Georgia's State Health Benefit Plan.
- The below chart illustrates pricing disparities between independent pharmacies and chains in GA's SHBP.¹ These examples are of 15 commonly prescribed generics used to treat a wide variety of health conditions. These examples are no aberration but part of a pattern in which the SHBP's PBM pays independent pharmacies less than larger retail chain pharmacies.

15 Commonly Prescribed Generics Drug Name/Strength	Average Payment to 3 Closest Retail Chains ²	Bell's Family Pharmacy Payment	Chain Payment v. Bell's % Difference
Atorvastatin Cal 20mg 90-day	\$46.87	\$1.90	2,367% higher
Bupropion Hydro ER (Xl) 300mg 90-day	\$53.75	\$5.54	870% higher
Metformin Hydro ER 500mg 30-day	\$13.40	\$1.29	939% higher
Metoprolol Tartrate 100mg 90-day	\$23.89	\$14.44	65% higher
Amlodipine Besylate 10mg 90 day	\$23.55	\$1.51	1,460% higher
Levothyroxine 100mcg 90-day	\$4.00	\$4.39	10% (Bell's higher)
Lisinopril 20mg tablet 30-day	\$9.71	\$1.72	464% higher
Losartan Pot 50mg 90-day	\$41.44	\$4.74	774% higher
Omeprazole DR 10mg 90-day	\$102.65	\$66.59	54% higher
Esomeprazole Mag. 20mg 90-day	\$61.68	\$32.66	89% higher
Simvastatin 20mg 90-day	\$30.00	\$7.50	300% higher
Montelukast Sod 4mg 90-day	\$45.38	\$23.58	92% higher
Escitalopram Oxalate 20mg 90-day	\$55.10	\$9.01	512% higher
Topiramate 200mg 90-day	\$62.13	\$15.16	310% higher
Cephalexin 500mg 7-day	\$12.63	\$2.05	516% higher

Georgia's state health plan is managed by CVS Caremark.

[Click here for a short & passionate video on legislatures discussing this very relevant issue in GA](#)

Reimbursement Discrepancies - NC State Health Plan

- Top 30 dispensed medications by a large group of independent pharmacies in Eastern NC (data compiled after GA data published and pharmacy closures announced)
- Averaged, the chain reimbursement is **43%** higher than for independent pharmacies.
- The Difference/Year column is for **one** medication, for **one** patient.
- Extrapolate this figure for multiple patients and you can understand the considerable negative & unfair impact on independent pharmacies.

Drug	Day Supply	Max Chain reimbursement	Independent Reimbursement	Difference/Fill	Difference/Year	Percent Difference
Eliquis 5mg	30	\$573.58	\$19.44	\$54.14	\$649.68	10.40%
Ozempic 2mg/mL	28	\$934.52	\$922.9	\$11.62	\$151.06	1.30%
omeprazole 20mg caps	90	\$40.72	\$11.60	\$29.12	\$116.48	251.00%
escitalopram 20mg	90	\$71.21	\$45.88	\$25.33	\$101.32	55.20%
Trelegy Ellipta 200mcg	30	\$634.63	\$626.74	\$7.89	\$94.68	1.30%
Jardiance 25mg	30	\$589.69	\$582.36	\$7.33	\$87.96	1.30%
losartan potassium 50mg	90	\$34.63	\$13.12	\$21.51	\$86.04	163.90%
tamsulosin 0.4mg	90	\$35.79	\$14.29	\$21.50	\$86.00	150.50%
atorvastatin 20mg	90	\$41.80	\$20.43	\$21.37	\$85.48	104.60%
Farxiga 10mg	30	\$561.85	\$554.87	\$6.98	\$83.76	1.30%
Xarelto 20mg	30	\$549.63	\$542.8	\$6.83	\$81.96	1.30%
zolpidem 10mg	30	\$15.49	\$9.3	\$6.19	\$74.28	66.60%
aripiprazole 20mg	90	\$38.30	\$25.05	\$13.25	\$53.00	52.90%
amlodipine 10mg	90	\$22.51	\$10.02	\$12.49	\$49.96	124.70%
montelukast 4mg	90	\$26.24	\$14.80	\$11.44	\$45.76	77.30%
esomeprazole 40mg caps	90	\$106.52	\$95.54	\$10.98	\$43.92	11.50%
tramadol 50mg	30	\$8.77	\$5.65	\$3.12	\$37.44	55.20%
topiramate 200mg tabs	90	\$33.75	\$25.85	\$7.90	\$31.60	30.60%
fluticasone NS	90	\$28.42	\$22.4	\$6.02	\$24.08	26.90%
simvastatin 20mg tabs	90	\$11.72	\$5.99	\$5.73	\$22.92	95.70%
Novolog Flexpen	30	\$134.89	\$133.21	\$1.68	\$20.16	1.30%
lisinopril 20mg	90	\$12.90	\$7.87	\$5.03	\$20.12	63.90%
Lantus Solostar	30	\$93.09	\$91.93	\$1.16	\$13.92	1.30%
metoprolol tartrate 100mg	90	\$13.39	\$10.67	\$2.72	\$10.88	25.50%
metformin 500mg	90	\$12.60	\$11.37	\$1.23	\$4.92	10.80%
gabapentin 300mg	30	\$12.91	\$12.76	\$0.15	\$1.80	1.20%
bupropion XL 300mg	90	\$57.19	\$57.19	\$0.00	\$0.00	0.00%
hydrochlorothiazide 25mg	90	\$1.18	\$1.18	\$0.00	\$0.00	0.00%
levothyroxine 100mcg	90	\$3.65	\$4.39	-\$0.74	-\$2.96	-16.90%
alprazolam 1mg	30	\$4.67	\$7.2	-\$2.53	-\$30.36	-35.10%
dextro-amphetamine 20mg	30	\$41.40	\$45.39	-\$3.99	-\$47.88	-8.80%

Source: Caremark's Check Drug Cost Website

Caremark + GoodRx

New atrocity in 2024. CVS Caremark partnered with GoodRx. GoodRx is a discount card - the company makes their profit by paying nothing for medications but charging pharmacies to dispense them.

This practice is done without the patient's awareness or consent.

NCDOJ can do nothing about it due to a loophole that prevents them from intervening on any state or federal healthcare insurance issue.

	Paid
Base:	\$23.48
Medication: Irbesartan (blood pressure)	
U&C:	\$0.00
Copay:	\$30.48
Remit:	(\$7.00)
Total Paid:	\$23.48
Cost:	
Rebate:	
Net Cost:	
GP:	
DIR:	
Net Profit:	
<input type="checkbox"/> Apply Discounts/Markups	

Co-pay: what the patient pays

Charged by GoodRx (Caremark pays \$0)

	Paid
Base:	\$7.74
Medication: Sertraline (mental health)	
Last Price:	
U&C:	\$0.00
Copay:	\$14.94
Remit:	(\$6.95)
Total Paid:	\$7.99
Cost:	
Rebate:	
Net Cost:	
GP:	
DIR:	
Net Profit:	
<input type="checkbox"/> Apply Discounts/Markups	

Co-pay: what the patient pays

Charged by GoodRx (Caremark pays \$0)

FEDERAL TRADE COMMISSION
PROTECTING AMERICA'S CONSUMERS

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For Release

FTC Enforcement Action to Bar GoodRx from Sharing Consumers' Sensitive Health Info for Advertising

Under proposed order, GoodRx will pay a \$1.5 million civil penalty for failing to report its unauthorized disclosure of consumer health data to Facebook, Google, and other companies

[Click here for a video that explains how this partnership works](#)

Caremark + GoodRx

- Doxycycline (antibiotic)
- The pharmacy should've been reimbursed \$6.76, instead it was \$3.60
- The plan was supposed to pay \$1.76, instead the pharmacy was **charged** \$3.33 to fill the prescription
- Why?

The screenshot shows a pharmacy dispensing interface for Doxycycline Hyclate 100 Mg Cap. The primary prescription is (P)Advance - 004336 - RX0274. The quantity is 14, and the days supply is 7. The total cost to the pharmacy is \$3.60, and the total paid is \$3.60. The net cost is \$1.03, and the net profit is \$2.57.

Paid	
Base:	\$3.35
Fee:	\$0.25
Subtotal:	\$3.60
Tax:	\$0.00
Total:	\$3.60
Last Price:	\$0.00
U&C:	\$0.00
Copay:	\$6.93
Remit:	(\$3.33)
Total Paid:	\$3.60
Net Cost:	\$1.03
GP:	\$2.10
DIR:	\$0.00
Net Profit:	\$2.57

Cost details

Drug: Doxycycline Hyclate 100mg Tablet
Days Supply: 7
Total Quantity: 14
NDC: 42806031250
Channel: [REDACTED]

Your estimated cost

\$5.00

Annual: \$60.00

Your plan pays

\$1.76

Annual: \$21.12

Total cost

\$6.76

Annual: \$81.12

Caremark + GoodRx

- Atorvastatin (cholesterol)
- The pharmacy should've been reimbursed \$12.31, instead it was \$5.31
- The plan was supposed to pay \$0, instead the pharmacy was **charged** \$7 to fill the prescription
- Why?

Dispense [1] Image [2] Escrip [3] DUR/More [4] Workflow/Claims [5] Rx Edits [6] Fill Audit [7] Refill 1 Refilled 1 time

Primary: (P)Advance 2 - 004336 - - RX0274 ✓

Secondary: <None>

Item: Atorvastatin Calcium 40 Mg Tab (60505-2580-08) (Active) (Rx)

AWP: \$519.63 MAC: \$0.00 BOH / EOH: 2091 / 2007 order

Quantity: 90 PS: 1000 EA Remaining: 0 0 EA

DS: 90

DAW: 0 - No Product Selection Indic Labels: 1 Exp: Enter a date Do Not Use After: 3/13/2025

RPh: Filled: 3/13/2024

Priority: Returning Alert: <None>

Pricing: Use Pricing Rules *Default AWP 30%*

	Paid
Base:	\$5.31
Fee:	\$0.00
Subtotal:	\$5.31
Tax:	\$0.00
Total:	\$5.31
Last Price:	
U&C:	\$0.00
Copy:	\$12.31
Remit:	(\$7.00)
Total Paid:	\$5.31
Net Cost:	\$3.96
GP:	(\$0.43)
DIR:	\$0.00
Net Profit:	\$1.35

Cost details

Drug: Atorvastatin Calcium 40mg Tablet

Days Supply: 90

Total Quantity: 90

NDC: 60505258009

Channel:

Your estimated cost

\$12.31

Annual: \$49.24

Your plan pays

\$0.00

Annual: \$0.00

Total cost

\$12.31

Annual: \$49.24

Co-pay or coinsurance: \$12.31

Amount applied to deductible: \$0.00

Additional Charges: \$0.00 ⓘ

HRA: \$0.00

Caremark + GoodRx

GoodRx partnership does not always save the patient money as Caremark claims

Dispense [1] Image [2] Escript [3] DUR/More [4] Workflow/Claims [5] Rx Edits [6] Fill Audit [7] Original Refilled 1 time

Primary: (P)Advance - 004336 - RX0274 ✓
Secondary: <None>

Item: Sertraline Hcl 50 Mg Tab (65862-0012-05) (Active) (Rx)
AWP: \$256.35 MAC: \$0.00 BOH / EOH: 1251 / 1251
Quantity: 90 PS: 500 EA Remaining: 1 90 EA
DS: 90
DAW: 0 - No Product Selection Indic Labels: 1

Exp: Enter a date Do Not Use After: 1/9/20

RPh: Filled: 1/10/2024
Priority: Returning Alert: <None>
Pricing: Use Pricing Rules *Default AWP 30%*

Paid	
Base:	\$6.71
Fee:	\$0.00
Subtotal:	\$6.71
Tax:	\$0.00
Total:	\$6.71
Last Price:	
U&C:	\$0.00
Copay:	\$6.71
Remit:	\$0.00

In January, the Caremark price was cheaper for the patient than the GoodRx price (\$6.71)

Dispense [1] Image [2] Escript [3] DUR/More [4] Workflow/Claims [5] Rx Edits [6] Fill Audit [7] Refill 1 Refilled 1 time

Primary: (P)Advance - 004336 - RX0274 ✓
Secondary: <None>

Item: Sertraline Hcl 50 Mg Tab (65862-0012-05) (Active) (Rx)
AWP: \$256.35 MAC: \$0.00 BOH / EOH: 1251 / 1251
Quantity: 90 PS: 500 EA Remaining: 0 0 EA
DS: 90
DAW: 0 - No Product Selection Indic Labels: 1

Exp: Enter a date Do Not Use After: 4/8/2025

RPh: Filled: 4/8/2024
Priority: Returning Alert: <None>
Pricing: Use Pricing Rules *Default AWP 30%*

Paid	
Base:	\$7.74
Fee:	\$0.25
Subtotal:	\$7.99
Tax:	\$0.00
Total:	\$7.99
Last Price:	
U&C:	\$0.00
Copay:	\$14.94
Remit:	(\$6.95)
Total Paid:	

This month: GoodRx cost to patient is \$14.94 (and \$6.95 to the pharmacy)

Dispense [1] Image [2] Escript [3] DUR/More [4] Workflow/Claims [5] Rx Edits [6] Fill Audit [7] Refill 1 Refilled 1 time

Primary: <None> ✓
Secondary: <None>

Item: Sertraline Hcl 50 Mg Tab (65862-0012-05) (Active) (Rx)
AWP: \$256.35 MAC: \$0.00 BOH / EOH: 1161 / 1161
Quantity: 90 PS: 500 EA Remaining: 0 0 EA
DS: 90
DAW: 0 - No Product Selection Indic Labels: 1

Exp: Enter a date Do Not Use After: 4/8/2025

RPh: Filled: 4/8/2024
Priority: Returning Alert: <None>
Pricing: Use Pricing Rules Tiered Loyalty

Paid	
Base:	\$5.60
Fee:	\$8.00
Subtotal:	\$13.60
Tax:	\$0.00
Total:	\$13.60
Last Price:	
U&C:	\$0.00
Copay:	\$13.60
Remit:	\$0.00

The pharmacy's cash price is cheaper than the GoodRx price (\$13.60)

Caremark + GoodRx

Caremark/GoodRx make \$6.30 for this claim. Why? Are they also charging the state? Does it vary by month how much they charge the state for the exact same medication?

Paid	
Base:	\$38.65
Fee:	\$0.10
Subtotal:	\$38.75
Tax:	\$0.00
Total:	\$38.75
Last Price:	
U&C:	\$0.00
Copy:	\$16.00
Remit:	\$22.75
Total Paid:	\$38.75

In January & February, Caremark paid \$22.75 for this medication

Paid	
Base:	\$30.92
Fee:	\$0.10
Subtotal:	\$31.02
Tax:	\$0.00
Total:	\$31.02
Last Price:	
U&C:	\$0.00
Copy:	\$16.00
Remit:	\$15.02
Total Paid:	\$31.02

In March, Caremark paid \$15.02 for this medication

Paid	
Base:	\$2.84
Fee:	\$0.25
Subtotal:	\$3.09
Tax:	\$0.00
Total:	\$3.09
Last Price:	
U&C:	\$0.00
Copy:	\$9.39
Remit:	(\$6.30)
Total Paid:	\$3.09

This month, Caremark charges the pharmacy \$6.30 to fill this medication (and pays nothing)

Patient Steering

PBMs present preferred pharmacy status contracts with at-cost or below-cost reimbursement under the guise that status as a preferred pharmacy will offset the lesser reimbursement. PBMs are fully aware pharmacies will opt-out and immediately bombard the customer with calls, texts and correspondence boasting copay reductions, blatantly steering patients to pharmacies of the PBM's choice.

Example of insurance sending notice to a patient about their requirement for that patient to use their own pharmacy or be forced to pay out of pocket.

INTERNET RESPONSE TEAM

8/3/2023 • 12:40 PM

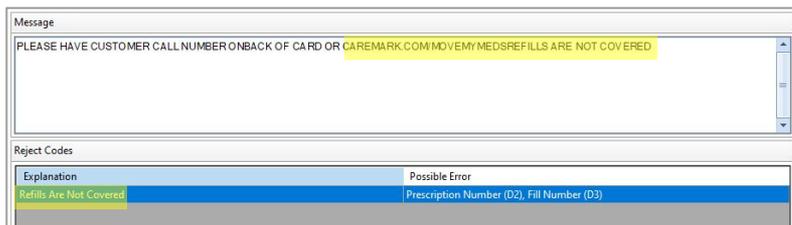
Dear [REDACTED]

Thank you for contacting Aetna. We strive to provide quality service to every one of our members.

Your plan allows you to fill a specialty prescription one time at a network retail pharmacy. After that, you must get your refills through **CVS Specialty Pharmacy** for the drug to be covered under your prescription drug plan. If you try to fill at a retail pharmacy, you won't be covered. If the retail pharmacy can fill your drug, your cost will be 100 percent of the full drug price.

For further information, you can call us directly at 1-866-782-ASRX (1-866-782-2779). You can reach us Monday through Friday from 8:00 a.m. until 7:00 p.m. ET.

Protection against patient-steering is crucial. Patients should be given a choice where they fill their medications.



Example of Caremark rejecting a refill, mandating the patient use one of their own pharmacies

CVS' Response to one of my Prior Complaints

- **"Independent pharmacies contract with PBMs and agree to the pricing terms"**: These contracts are 'take it or leave it'. There is absolutely no opportunity for independent pharmacies to negotiate terms.
- **"North Carolina State Health Plan has complete oversight of financial reporting and performance through auditing and can confirm there is no spread pricing"**: Is the state confirming they actually are actively auditing this or is CVS saying they have the ability to? If it was actually audited as has been done in other states, they would likely find this is not true.
- **"Pharmacies may appeal MAC pricing with CVS Health"** Yes you can appeal MAC pricing with CVS but they never change it. This is well known by independent pharmacy owners and most have given up on this process.
- **"CVS makes every effort to not set reimbursement below pharmacy purchase price"**: I'd be happy to continue to provide examples where the state health plan is indeed reimbursing us below cost. *Wholesalers* cannot even purchase medications at these prices.
- **"CVS Caremark reimburses independents at a higher rate than Chains in the aggregate in the State Health Plan annually since 2017"**: CVS is making up for the 'lower per dollar reimbursement' at their pharmacies through spread pricing on the PBM side of their business.

Bailey, Brigetta

From: Dee Jones <Dee.Jones@nctreasurer.com>
Sent: Thursday, June 10, 2021 12:18 PM
To: Bailey, Brigetta
Cc: Campbell, Kimberly; Jones, Dorothy C
Subject: [External] FW: NCDOL File Number: 2021- 02- 00928
Attachments: Further Complaint.docx

CAUTION: External email. Do not click links or open attachments unless you verify. Send all suspicious email as an attachment to [Report Spam](#).

The Plan's response...

- Independent pharmacies contract with PBMs and agree to the pricing terms
- North Carolina State Health Plan PBM contract with CVS Health is a fully transparent/pass-through agreement
 - 100% of the negotiated discounts, MAC rates and dispensing fees are passed through to the plan
 - North Carolina State Health Plan has complete oversight of financial reporting and performance through auditing and can confirm there is no spread pricing
- MAC Pricing
 - PBMs calculate average cost of generic drugs in the marketplace by referencing price points available in the marketplace such as:
 - Medispan, a nationally recognized price source
 - Wholesalers
 - Drug manufacturers
 - CVS makes every effort to not set reimbursement below pharmacy purchase price
 - Pharmacies may appeal MAC pricing with CVS Health
- CVS Caremark reimburses independents at a higher rate than Chains in the aggregate in the State Health Plan annually since 2017

Dee Jones
Executive Director
State Health Plan
Cell: 919.215.2795
Email: dee.jones@nctreasurer.com

Note: our current PSAO informed me that Caremark ignores all reimbursement appeals they send on our behalf (all other PBMs respond)

Findings & Successes in Other States

- Hawaii AG sues big three PBMs for deceptively representing they lower drugs costs
- Minnesota fines CVS/Caremark \$500,000 after violating PBM Act
- OK may KO CVS Caremark
- In 2017, **West Virginia** removed PBMs from their state Medicaid program. They saved \$54 million in the first year alone. Details can be found [here](#).
- California Blue Shield ditches Caremark, hopes to cut prescription drugs costs between 10% and 15%, or about \$500 million a year.
- In 2018, an **Ohio** state auditor released a stunning report on the practices of PBMs (\$224 million being kept by PBMs through spread pricing alone.). CVS Caremark is specifically called out in the findings. The full report can be found [here](#) and a summary [here](#).
- West Virginia fines CVS Caremark
- Terrebonne Parish Council, Louisiana: saved \$1.2 million by switching to pass-through model with PBM.
- Kentucky discovered \$123.5 million being kept by PBMs through spread pricing alone.
- February 2024: CVS, **Ohio** regulator settle claims of critical understaffing: \$1.5 million settlement largest in Ohio history
- March 2024: SB 453 - **West Virginia** now has a fair and transparent reimbursement benchmark in commercial, Medicaid and the **state employees' health plan**
- April 2024: SB 188 - **Kentucky** requires pharmacy reimbursement in the commercial market and in most **state employee plans** of NADAC plus a professional dispensing fee

Impact of CVS Caremark's Practices

- Patients often go without their medication
- Patients often not given a choice of where to fill their medication
- Pharmacies are forced to close (3 pharmacies closed **every day** in 2023) = less patient access & more issues at those that remain: short-staffed, increased stress, increased error rate



Ashleigh Anderson suffered a fatal heart attack in 2021 during her shift at CVS pharmacy

During the severe workforce crisis in 2021 due to the [COVID-19](#) pandemic, a [CVS](#) pharmacist lost her life as she waited for someone to cover her shift. Ashleigh Anderson, 41, died after suffering from a heart attack during her stressful work hours at the pharmacy. Before her tragic death, Anderson texted her longtime boyfriend, "I think I am having a [heart attack](#)."



37 minutes - actual hold time when I called CVS for a transfer last month (I hung-up shortly after this)

 **Pharmacist Moms Group (PhMG)** ...
Anonymous member · Jan 28, 2023 · 📍

3 LTR announces change in operating hrs. This article in WCVB found Prof Brown who actually hit the nail on the head of why retail can't staff stores. There is no shortage of pharmacists!! It's the conditions are horrible and in fact dangerous. But very few want to acknowledge this!! Thank you Prof Brown!!!

  42

17 comments

 **Pharmacist Moms Group (PhMG)** ... ✕
Anonymous member · Mar 27 · 📍

I am sitting here right now, paralyzed in place when I should be switching the laundry or taking a shower before work. Why? I have to work in my tier 4 corner store with just 3 techs today. After 4:30 and just until 9, not 10 when the pharmacy closes, it is just one tech and myself. I am so terrified about what awaits me when I go in at 1 pm. I just want to cry. I am on the verge of having a panic attack. I work in a state where unions will not help me because it is an "at will" state, so they can fire without cause. I have to work. I am a single mom. Ex doesn't help with anything other than half of medical/dental bills. Can't take Xanax and work. I do take herbal supplements sometimes when I am overwhelmed. Just looking for some encouragement and some prayers. 🙏

  126

74 comments

 Like

 Comment

 Send

[Click here for a passionate testimony against CVS by Ashleigh's father \(2 hr mark\)](#)

The Ask

- Investigate why Caremark reimburses pharmacies at different rates.
- Ask Caremark why they often reimburse below medication acquisition cost.
- Ask Caremark how they can contract with GoodRx/other PBMs to adjust prices (the contract is with Caremark, not other PBMs) and to review the language in the contract.
- Review the PBM bid process - are rebate dollars submitted in the bid?
- Utilize a 3rd party advisor to investigate Caremark's claims (spread pricing, fair reimbursement, MAC appeal success rate, rebate pass through, etc.)

What Will Happen to These Patients if we Shutter our Doors?



Lauren Tilley Carlson

Jan 15, 2022 · 🌐

When the only thing on your Saturday calendar is a COVID swab.... He is negative! He had no symptoms, is vaccinated, and wears his mask, but wanted to follow protocols and make sure he was not carrying anything after an exposure 5 days ago. So thankful to @tablerockrx and @fastoot for always showing up for this community during our ongoing pandemic! ❤️ — with Jessi Stout.

👍❤️ 99

8 comments 1 share



Clay Nelson

December 13, 2023 · 🌐

[Table Rock Pharmacy & Compounding](#) did Abby and me a solid the other day. When no other store in town had a bulb for our nebulizer, which Grey desperately needed, they did! Not only that, but [Jessi Stout](#) came and pulled one out for me on her day off. If that is not community, I don't know what is.

The Nelson's are officially with table rock now, and just so you understand how important shopping and spending local is, think about this:

Imagine Grey was unable to use a nebulizer to calm his coughing and break up some mucus and really started hacking and carrying on. Abby and I would have been forced to take him somewhere, which is about 200 dollars just walking through the door. Instead, 4 dollars and a strengthened relationship with more trust.

Not only is this important, but our small business owners have kids, kids which I may teach one day. I'll remember that moment and immediately have a bond with this student that will make their education in my class more personalized, possibly helping them get through a public school system unscathed that is broken at best. It is the circle of life! We are all part of this circle and every single deed we do effects the future path, and I'm just so thankful that the decision to come and provide us with what we needed was made because our path is that much brighter for it.

Sorry for the length, but small business and community parents deserve this type of write up each day, because they are helping their community each day. Thank you!!

👍❤️ You and 69 others

5 comments 4 shares



Lynn Justice

3 months ago



Have loved these folks, this pharmacy for years. Always above and beyond to be helpful. The recent covid booster I received was the least painful and best administered shot I have had, ever.



Jonathan Shores Ph.D.

2 months ago



I've been a customer here since we moved to Morganton in 2010. I have had nothing but positive experiences here. They communicate very well when there are changes in my insurance. Additionally, they support their community which is something that I admire and appreciate.



Brenda Vilkojan

3 months ago



They are always helpful, arrived 30 minutes before they closed and they still cheerfully gave us the latest Covid booster! Thanks so much, we were going out of town and was able to get our vaccines before we left! Thanks so much!

NC State Health Plan Pharmacy Reimbursement Discrepancies

The table below lists reimbursement discrepancies by CVS Caremark for chain versus independent pharmacies in North Carolina. It includes a list of the top 30 dispensed medications by a large group of independent pharmacies in Eastern NC. Averaged, the chain reimbursement is **43% higher**. The Difference/Year column is for **one** medication, for **one** patient. Extrapolate this figure for multiple patients and you can understand the considerable negative and unfair impact on independent pharmacies.

Drug	Day Supply	Highest Chain Reimbursement	Independent Reimbursement	Difference/ Fill	Difference/ Year	Percent Difference
Eliquis 5mg	30	\$573.58	519.44	\$54.14	\$649.68	10.40%
Ozempic 2mg/mL	28	\$934.52	922.9	\$11.62	\$151.06	1.30%
omeprazole 20mg caps	90	\$40.72	\$11.60	\$29.12	\$116.48	251.00%
escitalopram 20mg	90	\$71.21	\$45.88	\$25.33	\$101.32	55.20%
Trelegy Ellipta 200mcg	30	\$634.63	626.74	\$7.89	\$94.68	1.30%
Jardiance 25mg	30	\$589.69	582.36	\$7.33	\$87.96	1.30%
losartan potassium 50mg	90	\$34.63	\$13.12	\$21.51	\$86.04	163.90%
tamsulosin 0.4mg	90	\$35.79	14.29	\$21.50	\$86.00	150.50%
atorvastatin 20mg	90	\$41.80	\$20.43	\$21.37	\$85.48	104.60%
Farxiga 10mg	30	\$561.85	554.87	\$6.98	\$83.76	1.30%
Xarelto 20mg	30	\$549.63	542.8	\$6.83	\$81.96	1.30%
zolpidem 10mg	30	\$15.49	9.3	\$6.19	\$74.28	66.60%
aripiprazole 20mg	90	\$38.30	25.05	\$13.25	\$53.00	52.90%
amlodipine 10mg	90	\$22.51	\$10.02	\$12.49	\$49.96	124.70%
montelukast 4mg	90	\$26.24	\$14.80	\$11.44	\$45.76	77.30%
esomeprazole 40mg caps	90	\$106.52	\$95.54	\$10.98	\$43.92	11.50%
tramadol 50mg	30	\$8.77	5.65	\$3.12	\$37.44	55.20%
topiramate 200mg tabs	90	\$33.75	\$25.85	\$7.90	\$31.60	30.60%
fluticasone NS	90	\$28.42	22.4	\$6.02	\$24.08	26.90%
simvastatin 20mg tabs	90	\$11.72	\$5.99	\$5.73	\$22.92	95.70%
Novolog Flexpen	30	\$134.89	133.21	\$1.68	\$20.16	1.30%
lisinopril 20mg	90	\$12.90	\$7.87	\$5.03	\$20.12	63.90%
Lantus Solostar	30	\$93.09	91.93	\$1.16	\$13.92	1.30%
metoprolol tartrate 100mg	90	\$13.39	\$10.67	\$2.72	\$10.88	25.50%
metformin 500mg	90	\$12.60	11.37	\$1.23	\$4.92	10.80%
gabapentin 300mg	30	\$12.91	12.76	\$0.15	\$1.80	1.20%
bupropion XL 300mg	90	\$57.19	\$57.19	\$0.00	\$0.00	0.00%
hydrochlorothiazide 25mg	90	\$1.18	1.18	\$0.00	\$0.00	0.00%
levothyroxine 100mcg	90	\$3.65	\$4.39	-\$0.74	-\$2.96	-16.90%
alprazolam 1mg	30	\$4.67	7.2	-\$2.53	-\$30.36	-35.10%
dextro-amphetamine 20mg	30	\$41.40	45.39	-\$3.99	-\$47.88	-8.80%