

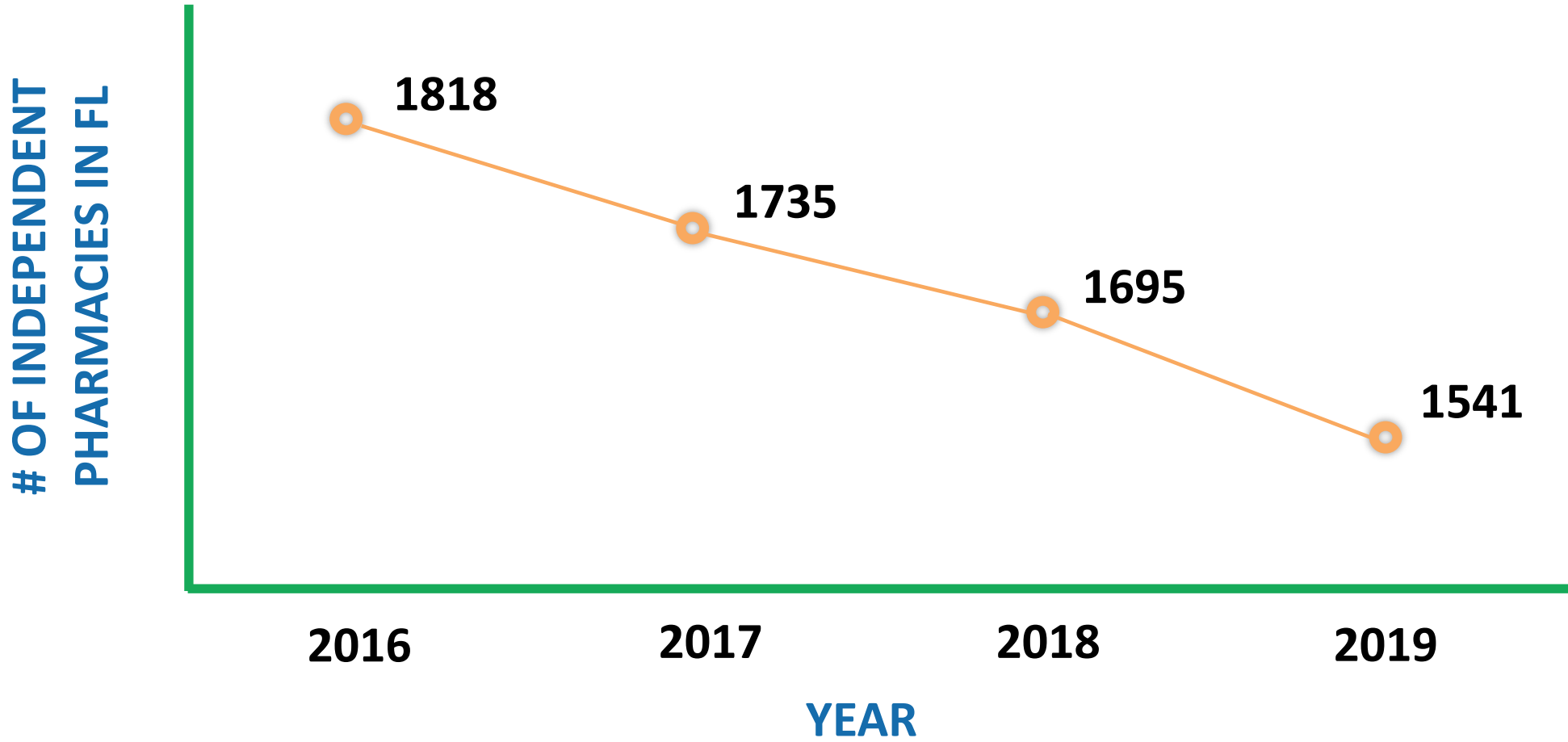
# Senate Committees on Health Policy and Banking & Insurance

## PBM Issue Panel Presentation

*Presented by Pharmacists  
Shane Abbott and Kevin Duane  
on November 5, 2019*



15% Decrease in # of Independent Pharmacies in FL



Source: Quest Analytics analysis of NCPDP Pharmacy Count Data, 2019

Decrease leads to...



**Patients lose their  
local pharmacy**



**Patients have to  
drive out of their  
way to get their  
prescriptions**



**Often leads to an  
overall drop in  
medication  
adherence**

# Problem stems from...



**Contracting  
Issues**



**Manipulative  
Steering**



**Arbitrary  
Payments**



**Debilitating  
Clawbacks**

# Contracting



**PSAOs are presented with take it or leave it contracts**

**Plan sends pharmacy direct contract that is take it or leave it**

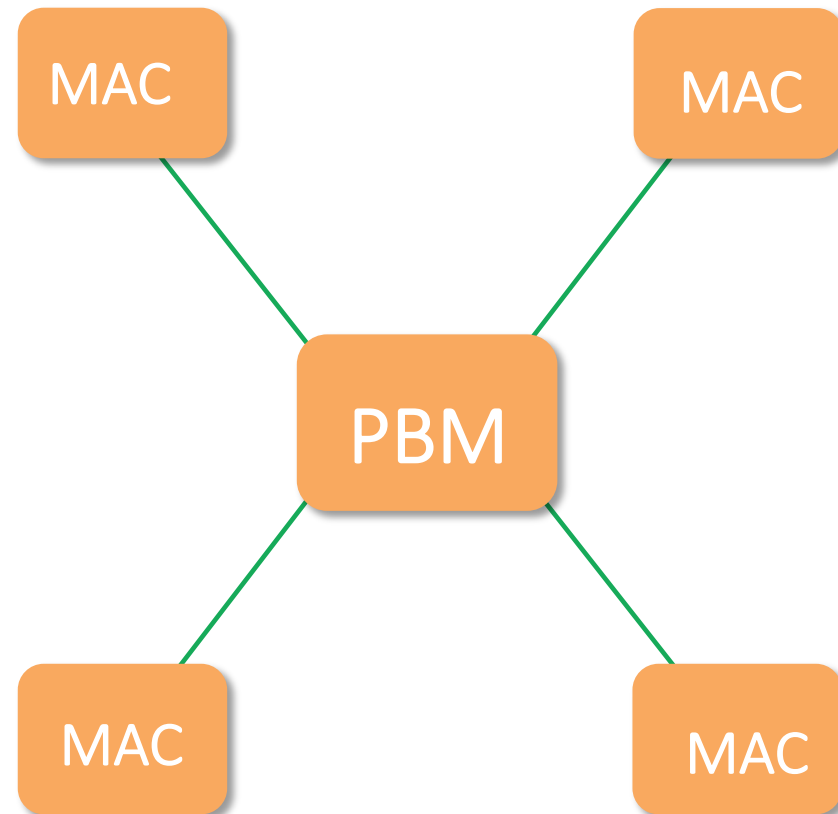
**Non-negotiable contracts as a result of monopolies**

**Closed networks cause patient access issues and eliminate competition**

***Inefficient contract processes leave neighborhood pharmacies struggling to provide services for their patients***

# Payments

- **Maximum Allowable Costs (MAC)**
  - Same PBM uses several MACs
  - PBMs uses MAC to adjust profit margin to benefit themselves, not the patient
  - Currently subsidizing Medicaid



# Steering



- **PBMs use letters, phone calls, and other incentives to convince patients to use their own pharmacy or mail order pharmacy**
- **Specialty drugs are required to be filled at their pharmacy only**
- **Frequently, this steering leads to patient compliance issues due to non-local access**

# Clawbacks



- Independent pharmacies live in fear of fraudulent audits
- Independent pharmacies receive payments that are less than at the time of adjudication
  - In network fees
  - Out of network fees
  - Customer service fees
- Clawback money is being used to improve profit margins and not lower health care costs

*Independent pharmacies lose money providing patients with necessary prescriptions*





## Focus On:



***Most crucial factor that needs to be addressed is the reduced access for patients.***

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***This can be accomplished through...***

- No narrow networks for Medicaid
- No payment below cost of drug
- No steerage for PBM-owned pharmacies, mail order or specialty
- No POST adjudication fees
- No abusive audits with drug cost recoupment (other than fraud)

# Contact

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