The PUTTbulletin



We're Speaking Up About the Change Healthcare Outage and You Should Too

PUTT members and friends, we need you to help us talk to the FTC.

The U.S. weathered a national healthcare crisis over the last week but most Americans remain unaware of the breadth and scope of the problem. The Change Healthcare Outage - the result of a cyber attack by Blackcat ransomware group - left thousands of

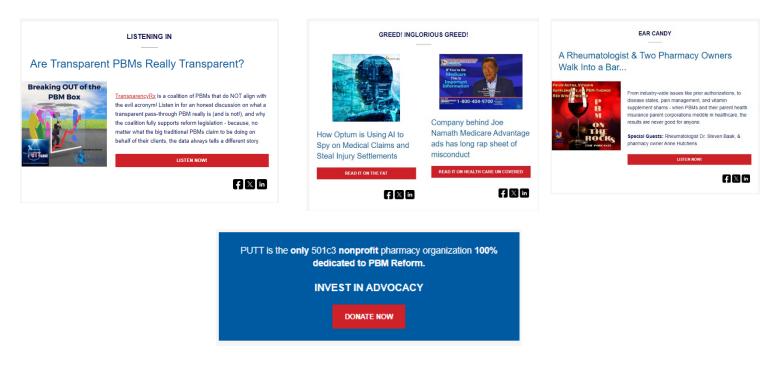
pharmacies and their patients without the ability to submit claims, verify eligibility or, in many cases, provide medicine and/or medical care for Medicare B patients, Medicaid patients, or patients depending on drug manufacturer coupons to afford prescriptions.

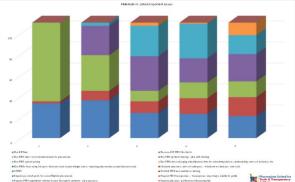
The media is focused on breaches of patient data privacy while Optum is downplaying the crisis, attempting to spin the situation as under control. But the problem is far greater than patient claims at the pharmacy counter, as shown on Optum/Change Healthcare's enterprise update page. Change Healthcare processes 15 billion pharmacy claims annually and its reach extends to "technology for revenue cycle and payment management to multiple sectors within the healthcare industry"

In their official acquisition announcement last year, Optum said "This opportunity is about advancing connectivity and accelerating innovations and efficiencies essential to a simpler, more intelligent and adaptive health system." Right. Of course it is.

As we've said all along, bigger isn't necessarily better in healthcare. The evidence suggests the more the giant health insurers are allowed to consolidate, the less quality care and protection patients and their providers receive and the Change Healthcare outage, regardless of cause, is just one more example. It's a crisis of emerging, epic proportions with many patient populations unable to wait for "the switch to be turned back on", whenever that might be.

The DOJ has opened an investigation into UnitedHealth Group for possible antitrust violations. We're speaking out against Change Healthcare, and we encourage you to do so too.





PUTT to Congress: Protecting Pharmacies From PBM Greed and Financial **Retaliation Must Be Included in PBM Reform Legislation**

While it was difficult to watch Congress take PBM reform provisions off the table during the last round of government funding negotiations, we now have a unique opportunity to address a glaring omission from Congress' proposed PBM reforms in Congress: ensuring federal legislation creates a fair and equitable business environment for pharmacies free from PBM greed and financial retaliation.

Last month we surveyed pharmacy owners about the current state of PBM

reform legislation and what their own legislative priorities are. Some 224 pharmacy owners responded, telling us their top 5 priorities are:

Ban PBMs from reimbursing pharmacies below drug acquisition cost

Require pharmacies be paid a professional dispensing fee

Ban DIR fees. Entirely.

Ban PBMs from steering patients to PBM-owned/affiliated pharmacies

Ban PBM spread pricing

Every respondent said they appreciated federal efforts to reform current PBM practices and hoped Congress would remember to include provisions that protect the business of pharmacy.

The most important message we can give to Congress is this: patient access begins with an open pharmacy. But pharmacies cannot sustain if they are not, minimally, made whole for drug acquisition cost and the costs associated with dispensing (bottles, bags, counseling, etc). Pharmacies are and have been the fallback for various PBM revenue streams - nickel and dime-ing pharmacies with claims adjudication fees; assessing overly punitive audit fines for minor, easily correctable mistakes; arbitrarily decreasing pharmacy reimbursements while openly engaging in jaw-dropping spread pricing toward plan payers.

And, though it should go without saying, no business can sustain if its larger competitor not only dictates how much it will make, but has the power to steer and direct customers away to its own store. That's Business 101, and yet PBMs are legally allowed to steer patients away from network pharmacies to PBM-owned pharmacies in most states.

NCPA's "Fight4Rx" campaign includes a QR code you can post in your pharmacy that allows pharmacy staff and patients to contact their legislators to share their support for laws that will allow pharmacies to remain open and preserve patients' right to use their pharmacy of choice.

STATE BY STATE

We have this opportunity, however small or fleeting, to include provisions that will resolve the most pressing issues that have been driving small business pharmacies out of the market for more than a decade. Let's do this!

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