

## The **PUTT**bulletin

### Federal Government: Why Do You Continue to Do Business With **Known Criminals?**

Top 10 Medicare Advantage Providers	Accused of fraud by whistle-blower	Accused of fraud by U.S. government	Overbilled, according to Inspector General
UnitedHealth Group 27.1% of market	<b>✓</b>	~	~
Humana 17.4%	*		~
CVS Health 10.7%			~
Elevance Health 6.5%		*	~
Kaiser Permanente 6.1%	✓	~	
Centene 5.0%			
Blue Cross Blue Shield of Mich. 2.2%			*
Cigna 1.9%	~	✓	~
Highmark 1.3%			*
Scan Group 0.9%	~	✓.	~

Note: The lawsuit against Scan was settled in 2012, and the lawsuit against Humana was settled in 2018. Lawsuits against other insurers are ongoing, and the insurers have disputed the claims. The government has joined the lawsuit against Cigna, but will not file detailed allegations until later this month. . Source: Market share data from Mark Farrah Associates • The New York Times

graphic courtesy of The New York Times

To Congress, the Department of Defense, and Federal **Government Contract Decision Makers:** 

Today marks the first day <u>15,000 community pharmacies</u> across the U.S. can no longer serve active duty and retired military covered by TRICARE. It's a drastic cut orchestrated by Cigna-owned Express Scripts in the name of "cost savings" but aimed at 15,000 independent pharmacies - tax-paying small businesses mostly located in rural communities miles from the nearest city - and the thousands of TRICARE enrollees those pharmacies serve.

Express Scripts, whose own pharmacies compete with the 15,000 cut pharmacies, wasted no time ushering the dropped patients over to its mail order pharmacy. This is the same Express Scripts whose mail order "refill pill mill" system is at the center of a False Claims lawsuit - the one in which Express Scripts is alleged to have overcharged you, the Federal Government via TRICARE, and us, the taxpayers, billions of dollars in unnecessary prescription refills and dispensing fees for 9 years.

Coincidentally (or maybe not), Express Scripts is owned by Cigna Corp, the subject of a lawsuit filed last week by the U.S. Department of Justice alleging Cigna overcharged Medicare by tens of millions of dollars for false diagnoses between 2012 and 2019 - another 7 years of fraud. Cigna is one of 10 insurers found by a recent New York Times investigation to have routinely engaged in bilking Medicare through "Medicare Advantage" plans.

Yet Cigna and Express Scripts are hardly alone in their criminal exploitation of government-sponsored health care...

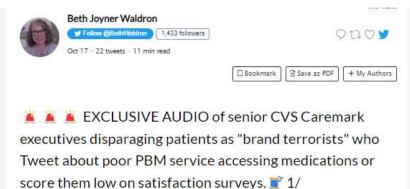
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**PBM PROBLEMS** 

Meet CVS' New "Brand Terrorists": **Patients** 





#### The hubris of CVS Caremark executives knows no bounds.

During a recent PBM Operations Town Hall event, CVS Health's SVP of PBM Operations, Brian Leadingham, said the following:

"Brand terrorists.. those are the people you see out on Twitter and other things talking to neighbors and friends about how bad our service is and what a bad company we are."

Way to stay to shift the blame, CVS.

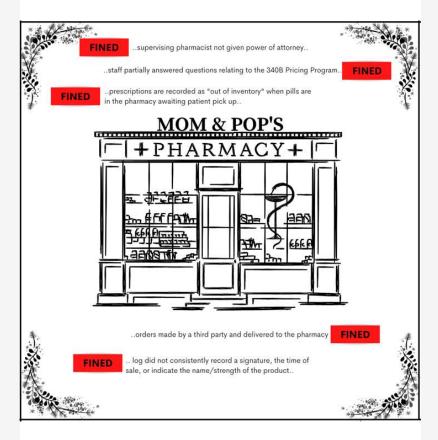
Listen to the CVS Health Town Hall recording

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THE PRACTICE OF PHARMACY

# Warning: Seemingly Predatory DEA Inspections May Be On The Rise



A local pharmacist recently alerted us to a dramatic increase in seemingly predatory east coast area DEA inspections. These inspections appear laser-focused on administrative processes, levying hefty penalties for reasonably minor clerical missteps.

The pharmacist\* noted, "Our pharmacy has never had a red flag or been cited by a regulatory agency, yet the agent seemed intent on finding any possible means to assess an exorbitant fine, no matter how irrelevant...

These fines are outrageous for simple administrative infractions. They can be appealed through legal means, but that type of cost can be prohibitive for a small business. I want to ensure that others are warned about these so-called inspections."

Penalties upwards of \$15,000 per occurrence have reportedly been assessed for:

 Omission of a blank sheet of paper between medication schedule level documentation;

- · Minor inventory discrepancies on non-opioid medications;
- Incomplete inventory counts when the inspector shows up prior to DEA-designated deadlines.

Inspector practices such as counting filled prescriptions back into physical inventory without adjusting pharmacy software counts have also been documented.

PUTT supports the mission of the DEA to combat the continuing opioid epidemic, but inspections of this nature seem suspect in purpose when the fines assessed far outweigh the errors cited. Pharmacies that encounter these types of inspections may contact us at Evidence@TruthRx.org.

\*name withheld to protect against retaliation

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FROM THE DESK OF

Important Information From Our Friends & PBM Reform Partners at LIPA

#### **Chains Use TriCare Decision to Target** Indy Pharmacies for Takeover

One of our members shared with us a letter they received this week from Walgreens' Mergers and Acquisitions Program that can only be described as shameless. Walgreens is using the decision by Tri-Care decision that "~15,000 independent retail community pharmacies will no longer participate in TRICARE's pharmacy network as of October 24, 2022." The letter goes on to say that "Walgreens is here for you" if you want to discuss "strategic alternatives" and "working toward a potential exit plan." Clearly, this is their end game. In many other states, we are sorry to say that independent retail community pharmacies are far more vulnerable than in Louisiana. The primary reason for this is the work by independent pharmacies through LIPA to counter such moves. We recall that a decade ago, the chains assumed the inclusion of pharmacy benefits in Medicaid-managed care in Louisiana would be the proverbial "straw that broke the camel's back" for some independent pharmacies and they would be looking to sell their pharmacies. LIPA was successful in working with LDH to include language in the contract regarding a minimum rate floor for pharmacy reimbursement that kept the chains' dream of acquiring Louisiana pharmacies at bargain basement prices from being realized.

#### ACROSS THE NATION

## The Washington Times

### Prescription drug pricing reform must rein in pharmacy benefit managers

Since 2006, when PBMs took a more active role in the market, drug prices have increased by 313%. Annual rebates now exceed \$200 billion, approaching half of the country's prescription drug market.

In 2020, total gross expenditures for branded medications reached \$517 billion. Manufacturers earned only 31% of this spending, while middlemen made 69%. One analysis concludes that \$339 out of the \$425 cost of a box of insulin pens is rebate dollars...

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#### Pharmacy orgs unite to defend Oklahoma PBM law

Several pharmacy groups have filed a joint amicus brief stating that the Oklahoma Patient's Right to Pharmacy Choice Act addresses a subset of the business practices of PBMs.

The joint amicus brief notes that, "The law at issue here, the Oklahoma Patient's Right to Pharmacy Choice Act, addresses a subset of the business practices of PBMs that have inhibited safe, cost-effective and convenient access to pharmacy care..."

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### AMA examines PBM market competition and integration with insurers

A new <u>analysis</u> by the American Medical Association (AMA) finds a widespread lack of competition in local markets across the United States where prescription drug middlemen known as pharmacy benefit managers (PBMs) provide services to commercial health insurers... "The American Medical Association already has serious concerns about PBM business practices that can have a detrimental impact on patients' access to and cost of prescription drugs," said AMA President Jack Resneck Jr, M.D...

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### AHF To Protest CIGNA For Shortchanging Pharmacies: 'Cigna Doesn't Care!'

Healthcare advocates from across the country affiliated with AIDS Healthcare Foundation (AHF) will protest unethical charges and actions by Cigna via its pharmacy benefits manager (PBM), Express Scripts, to independent and specialty pharmacies providing the sensitive, lifesaving medical needs of individuals living with HIV and other critical illnesses... Cigna's Express Scripts PBM and rivals CVS Caremark and OptumRx have disproportionately impacted access to care for those living with critical illnesses by adding arbitrary penalties and fees to small, independent pharmacies...

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LISTENING IN

Mark Blum & The PBM **Accountability Project** 



#### **Listen Now!**

"The force to align interests in prescription drug reform is greater than the status quo."

In a world where PBM corporations' draconian tactics are ever-widening, transparency and accountability have never been more critical.

Meet Mark Blum, Executive Director of union-based America's Agenda, Managing Director of the PBM Accountability Project, and on a mission to bring forces together to hold PBMs accountable for it all.

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**NEWS & STORIES** 



Mapping the Vertical Integration of Insurers, PBMs, Specialty Pharmacies, and Providers: A 2022 Update

I conservatively estimate that I've created about 1,374,613 slides during my career. But there are two slides that people seem to appreciate the most...One is my chart showing the key channel flows within the entire U.S. pharmaceutical distribution, payment, and reimbursement system. The other is my mapping of the insurer/PBM/specialty pharmacy/provider organizations that now dominate U.S. drug channels. Below, I provide an updated version...

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# Call it data liberation day: Patients can now access all their health records digitally

The American Revolution had July 4. The allies had D-Day. And now U.S. patients, held down for decades by information hoarders, can rally around a new turning point, October 6, 2022 — the day they got their health data back. Under <u>federal rules</u> taking effect Thursday, health care organizations must give patients unfettered access to their full health records in digital format. No more long delays. No more fax machines. No more

exorbitant charges for printed pages. Just the data, please — now...

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# Modern Healthcare

Anthem must face Medicare Advantage fraud lawsuit, judge rules

Anthem must face a Justice Department lawsuit alleging the Medicare Advantage insurer intentionally submitted inaccurate patient information to the federal government that allowed it to fraudulently collect more than \$100 million in overpayments. Judge Andrew Carter handed down the ruling in the U.S. District Court for the Southern District of New York on Friday, denying Anthem's bids to dismiss the case or move the venue to a federal court in Ohio...

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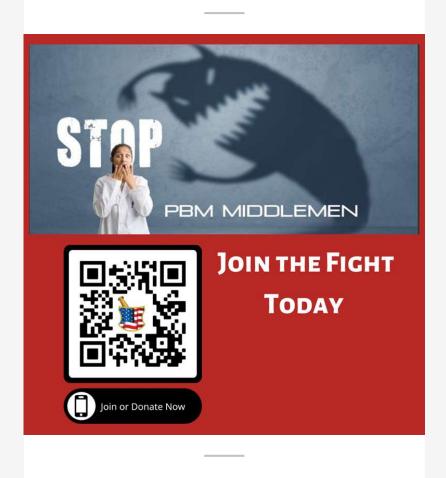


DOJ Digs Further Into \$8B CVS-Signify Health Merger

The U.S. Department of Justice has initiated a deeper probe into the planned \$8 billion merger between CVS Health and Signify Health, according to a Thursday filing with the U.S. Securities and Exchange Commission.

The inquiry triggers an additional 30-day waiting period that begins after both companies have complied with the request, according to CVS' filing. CVS said it still anticipates that the transaction will close in the first half of 2023...

**PUTT MEMBER EXCLUSIVE ACCESS: Read the Article** 







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