

Dawn,

Thanks for speaking with me earlier this week and for being a champion against PBM' and their outrageous practices.

██████████ is a female owned small business. ██████████ is a small coastal town in the ██████████ and we are the only independent pharmacy in ██████████. We are also one of the most specialized pharmacies in ██████████ because of our sterile compounding and hazardous drug compounding capabilities.

I purchased the pharmacy in 2016 from a pharmacist whose family has run the only independent in ██████████ for 2 generations dating back to the 50's I believe. We faced PBM challenges right off the bat. PBM's tried to use the ownership change as an excuse to kick us out of their networks. They wanted to do this since our contracts also included the ability to bill for compounds. We appealed and fought back and our main defense was that we are a small town pharmacy, not like other compounders, and we bill fairly and have reasonable pricing. ESI accepted our appeal after evaluating our history and I believe we even have written response from them confirming that they reviewed our billing practices and found them to be fair, I will try to find and send to you.

We are located between ██████████, ██████████ and ██████████ so a large percentage of our business are military families and retirees. Compounding plays a huge role in Tricare members care, especially today in the middle of the opioid epidemic. Compounders are able to offer less addictive options for pain management as well as many other specialty items.

Monday we returned from vacation to a letter from ESI and Defense Health Agency that is honestly the most appalling letter I have received in my 20 year career in pharmacy. ESI states that on behalf of the Defense Health Agency they have "investigated" our pharmacy yet we were never asked for any files or documentation or ANYTHING at all. They state they will begin to recoup money due to us from current claims to offset their findings. It seems they have already started to reclaim monies from us before we even received the notice in the mail.

The claims they are auditing are from 2015 which was before we even owned the pharmacy. They claim that the pharmacy claims are not eligible for coverage and potentially fraudulent because they are not able to confirm a valid patient/prescriber relationship. Let that sink in for a minute...They are coming after the pharmacy for something that has nothing to do with the pharmacy. Pharmacists have an obligation to fill valid prescriptions. We communicate daily with most of the prescribers in our community and we also get to know our patients well being a small-town pharmacy. We would obviously not fill a prescription with any red flags but this patient/provider relationship is just the most wild excuse I've ever heard. Many prescribers who write rx for compounds do not take insurance because of the unfair practices that they do. So it seems ESI feels that if the doctor didn't send the claim to tricare then they in turn aren't obligated to cover the prescription from that dr.

The real crazy part is that it seems they didn't do any real "investigation" they simply included every single rx we filled from 5/1/15-12/31/15. The total for our pharmacy is just over \$22,000. In the midst of covid-19 that money accounts for roughly 100% of our profits for 4-5 months.

I am not opposed to PBM's conducting audits, we work very hard to be the "good guys" in compounding but this is just unfair, their practices go against their own provider manual, and they are using a loophole

by calling this an investigation instead of an audit and they didn't truly investigate anything. We have started to review their recoupment claims and id say 90% of them do not even contain accurate amounts and information. They know that for us to prove the patient/provider relationship we will have to obtain records from the providers. So no matter how good our record keeping is it doesn't even matter it seems, and providers are not going to disclose information from their patients to us to prove this relationship...providers say..i wrote the rx , that's all you need!!!

Seems we are between a rock and a hard place and now we will incur thousands of dollars in legal fees to fight this egregious claim, not to mention the undue stress this places on me and my business. Its sad that you cant even run a fair business these days with the way the PBM's are monopolizing everything and just getting away with whatever they want.

They are basically saying we are guilty of filling false prescriptions without any reason or research...I don't know when things in the USA changed to guilty until proven innocent. We will not sit back and roll over like they want. We are already planning to engage all of our effected clients and providers. Im sure patients are going to love to hear that Tricare is accusing them of presenting fraudulent prescriptions to the pharmacy and the providers being told they wrote fraudulent prescriptions...obviously the providers followed all State and Federal Laws otherwise we would have never filled them but ESI and Defense Health Agency obviously feels they are above the law and can make their own rules.

Sincerely,

Dr. [REDACTED]

[REDACTED] Owner