PBMs Always Claim to Save Money, But Someone Is Paying for Waste

Sometime last year, an older gentleman came into my pharmacy to discuss his treatment for Hepatitis C, and his experience often reminds me of what is wrong with certain aspects of our current delivery system. After receiving a prescription for the combination of the Solvadi plus Ribavirin protocol through a mail order specialty pharmacy utilized by the physician, the patient—not fully understanding what was involved—proceeded to take the Solvadi only.

This patient shared with me that during the entire course of treatment he did not receive a single telephone call to explain the therapy or follow up at any time to see if there were any side effects or questions associated with the treatment. Upon completion of the three-month course of therapy, the patient was informed that the system markers for the presence of Hepatitis C were unchanged, meaning that the therapy failed because he had not been properly managed.

The cost to the system was just under $88,000, and once discovered had to be re-instituted by a physician who reached out to us because we had the capability to ensure that this situation would not have occurred in our pharmacy.

Who ultimately is left to pay the cost of similar such examples? The patient whose life was disrupted because of the lack of care associated with his circumstances by the specialty mail order firm? Or perhaps also the system, which is determined to find what is the most appropriate manner to provide these much-needed medications?

In the big picture, this is another example of the anti-competitive effects of PBMs on the market—PBM ownership of mail order and specialty mail order pharmacies. This creates a situation in which the PBM draws up a plan design and establishes reimbursement rates for networks of retail pharmacies that are in direct competition with the mail order and specialty pharmacies owned by the PBM. And, of course, the PBM knows exactly what the reimbursement amounts are for all of the players in this equation.

So, not only do the PBMs incentivize beneficiaries to use PBM-owned mail order pharmacies, but they also may be motivated to switch patients to more costly medications on which the PBM receives additional rebate amounts from the manufacturer.

At a minimum, PBMs need stricter scrutiny when they are involved in federal prescription drug plans: Medicare Part D, Medicaid, the military's TRICARE program, and the Federal Employee Health Benefits Program. Congress should enact H.R. 244, a bipartisan bill that would require the same timely updates to MAC pricing lists in FEHBP and TRICARE as are now required in Part D, as NCPA had long advocated. Also, an any willing pharmacy law should be on the books. H.R. 793 and S. 1190 would allow any pharmacy located in a health professional shortage or medically underserved area to participate in any Part D preferred pharmacy network if they are willing to meet comparable terms and conditions. ■

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Best,

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