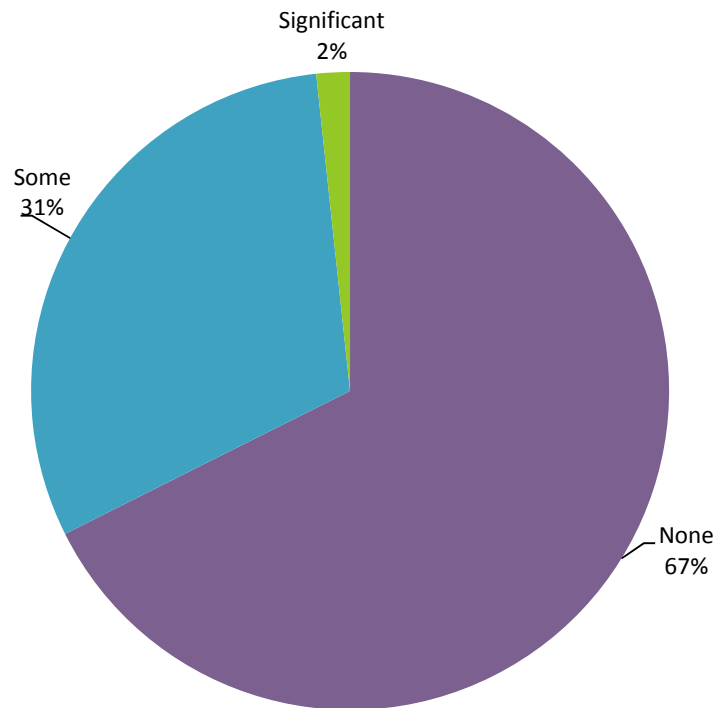


Survey of Community Pharmacies

Impact of direct and indirect remuneration (DIR) fees on pharmacies and PBM-imposed copay clawback fees affecting patients.

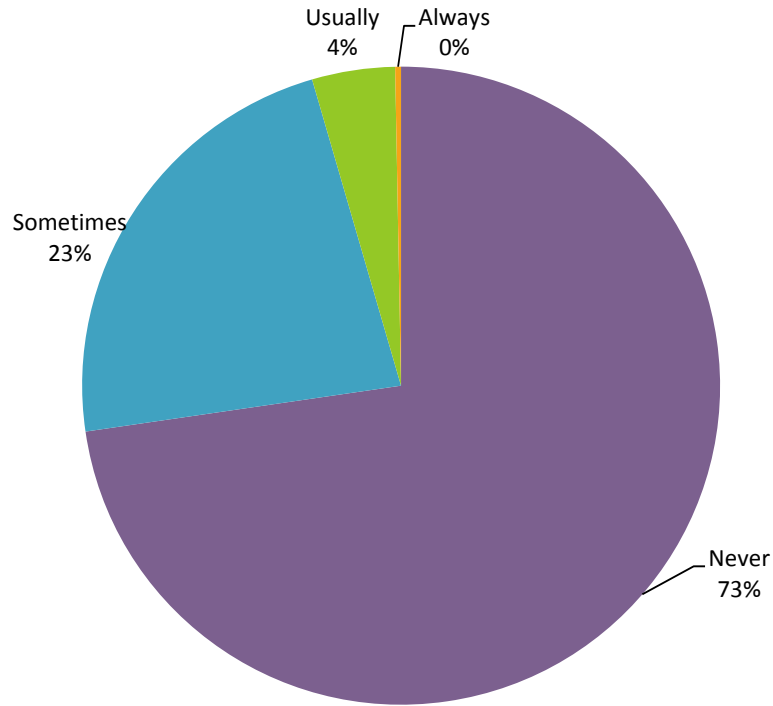
This survey provides important information to policymakers regarding the challenges that over 600 pharmacies report having with DIR and clawback fees. This survey was conducted between June 2 and June 17, 2016.

How much information or specificity is given as to how much and when DIR fees will be collected or assessed?



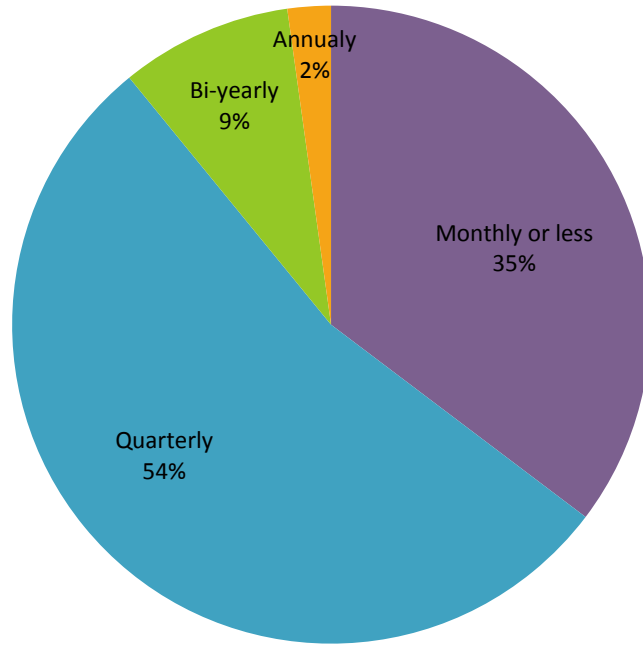
Value	Percent	Count
None	67.6%	433
Some	30.7%	197
Significant	1.7%	11
	Total	641

When you receive a notice informing you that you owe a certain dollar amount to the PBM attributable to DIR fees—Do you ever receive an itemized accounting that tells you how much money was actually deducted on each claim?



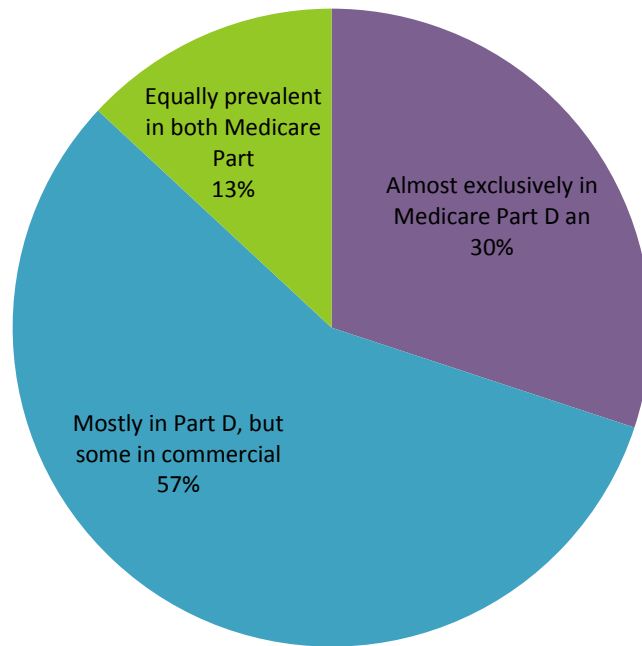
Value	Percent	Count
Never	72.7%	466
Sometimes	22.8%	146
Usually	4.2%	27
Always	0.3%	2
	Total	641

One trademark of these pharmacy DIR fees is that they are assessed after claim adjudication. In your experience, what is the timeframe that most PBMs collect DIR fees from your payments?



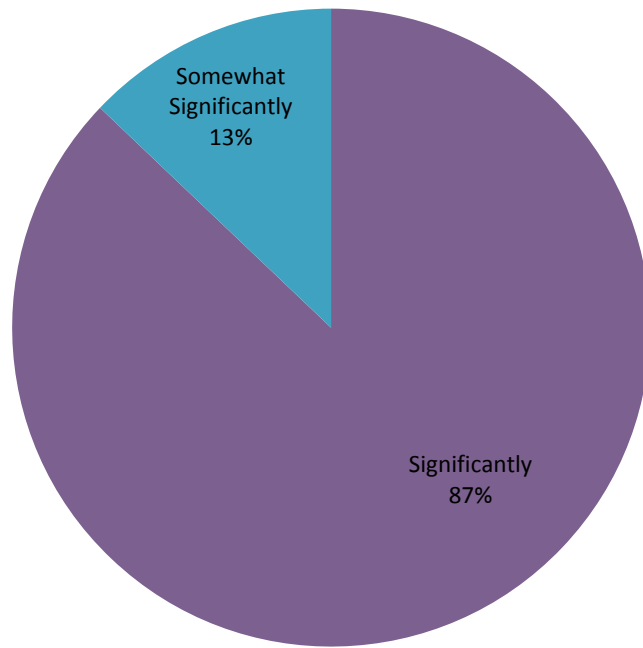
Value	Percent	Count
Monthly or less	35.3%	224
Quarterly	53.8%	341
Bi-yearly	8.7%	55
Annually	2.2%	14
	Total	634

Pharmacy DIR fees began in the Medicare Part D marketplace. There are reports that similar types of pharmacy fees are starting to be assessed even in the commercial markets. How would you assess their prevalence?



Value	Percent	Count
Almost exclusively in Medicare Part D and rarely in commercial marketplace	30.1%	191
Mostly in Part D, but some in commercial marketplace	56.9%	361
Equally prevalent in both Medicare Part d and in the commercial markets	13.1%	83
	Total	635

How significantly are DIR fees and other post adjudication reimbursement reductions affecting your pharmacy's ability to provide patient care and remain in business?

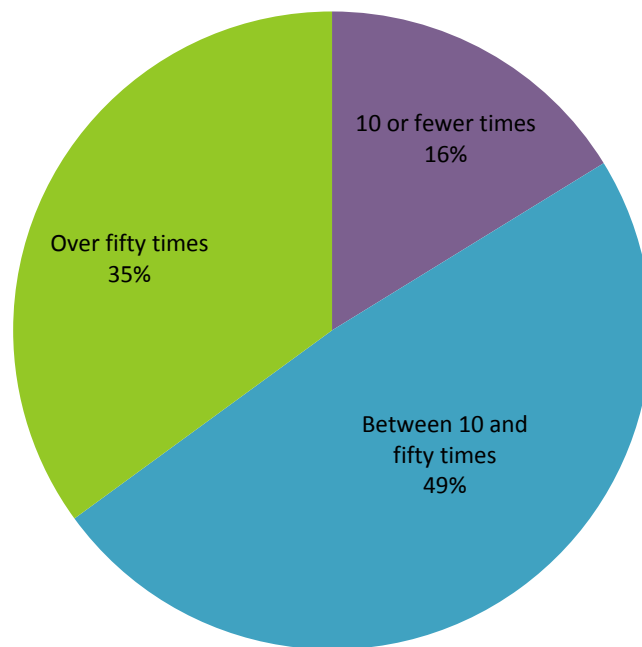


Value	Percent	Count
Significantly	87.1%	556
Somewhat Significantly	12.9%	82
	Total	638

PBM Imposed Copay “Clawbacks” Affecting Patients

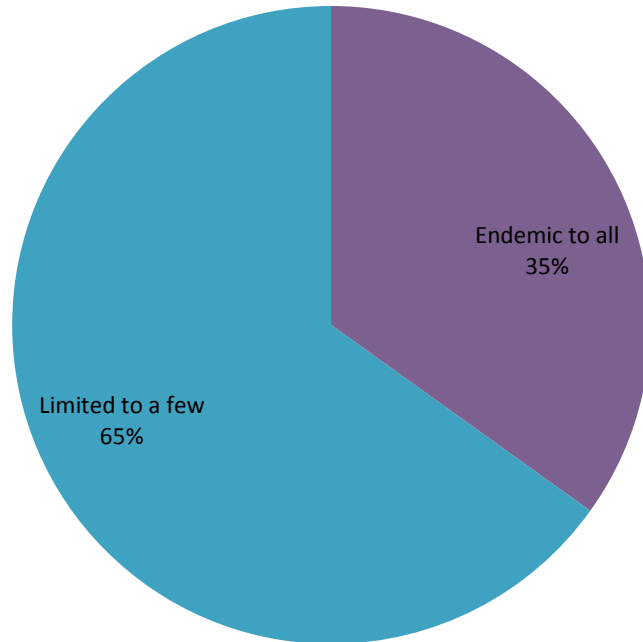
This PBM phenomenon is becoming more prominent and increasing costs to patients. Typically, the PBM will instruct the pharmacy to collect from the patient an elevated co-pay amount that is higher than the contracted reimbursement with the pharmacy. Subsequently, the PBM will “clawback” the excess amount from the pharmacy and pocket it. This often happens in high deductible prescription drug plans when the entire prescription is being paid for by the patient. Patients believe they are paying just the cost of the drug in their front end deductible, but do not realize that often a large part of what they pay is going straight to the PBM.

How often have you seen this taking place in your pharmacy in the past month?



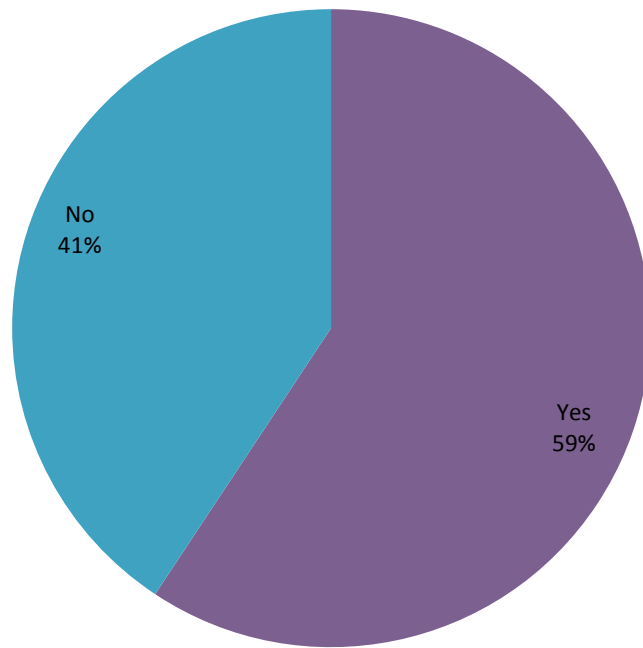
Value	Percent	Count
10 or fewer times	16.2%	102
Between 10 and fifty times	48.7%	306
Over fifty times	35.0%	220
	Total	628

Does this practice seem to be endemic to all PBMs or are there some that are more prevalent?



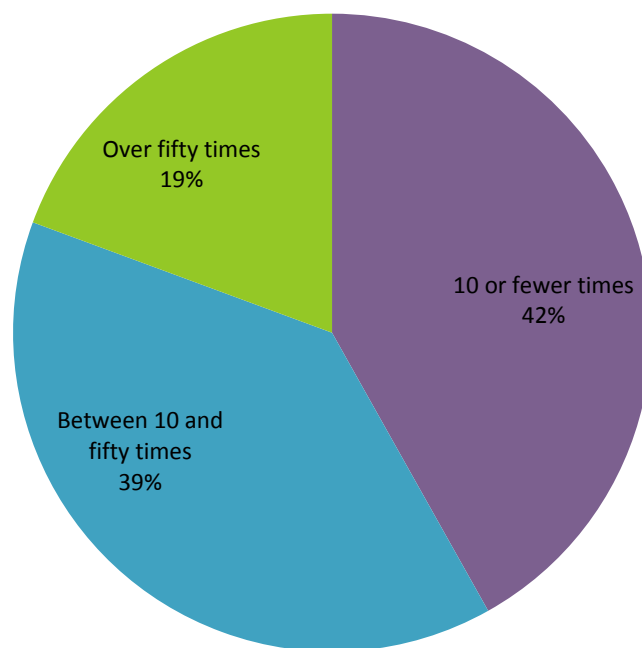
Value	Percent	Count
Endemic to all	34.9%	219
Limited to a few	65.1%	408
	Total	627

In your practice, is this taking place in Part D?



Value	Percent	Count
Yes	59.3%	371
No	40.7%	255
	Total	626

Some PBM contracts reportedly restrict the ability of pharmacists to proactively tell the patient that their prescription drug could cost less if the pharmacy was permitted to process it outside of their insurance plan (i.e., as a “cash” transaction). In other words, the patient has to directly ask the pharmacist if a “cash” transaction is cheaper before the pharmacist can volunteer such information. In the past month, how often have “gag clause” restrictions prevented you from informing the patient about “other” options or alternatives?



Value	Percent	Count
10 or fewer times	41.9%	257
Between 10 and fifty times	38.8%	238
Over fifty times	19.4%	119
	Total	614