

“The Express Scripts/Medco Merger: Cost Savings for Consumers
or More Profits for the Middlemen?”
Questions for the Record submitted by Senator Charles E. Grassley

Questions for Mr. Michael Bettiga:

1. Brick and mortar pharmacies offer important on-site services to customers in the form of reliable direction on dosage and proper use. Some are concerned that the merger will result in more prescriptions being delivered to patients via mail-order. This means consumers may be deprived of face-to-face interaction with their pharmacist. Alternatively, mail order patients may still reach out to local pharmacists who give time and expertise, yet derive no income from the transaction.
 - a. Do you agree with those that say the merger will lead to increased mail-order delivery of prescription medications?

Response: Absolutely, the track record of PBM’s driving prescriptions to their own mail order facilities is irrefutable. In addition the practice is inherently anticompetitive. PBMs determine the income received by pharmacies (by setting pharmacies’ reimbursement rates) and then drive prescriptions to their own mail order facilities, in part by co-pay designs that favor mail order. PBMs already design prescription benefit plans that *require* patients to use the PBM’s *own* mail order facility, or set the retail co-pays so high that patients’ only real choice is to use mail order.

We believe that the merged entity’s ability to shift patients to their mail-order operations will have a direct and harmful impact on patients. It will allow the mega-PBM to limit consumers’ access to their local pharmacies and the vital healthcare services and one-on-one counseling they provide. In addition to dispensing prescriptions, pharmacists counsel patients on a daily basis to ensure that they take their medications as directed by their doctors. They also provide a broad range of critical, cost-effective services such as immunizations, counseling for diseases such as diabetes, and other health education and screening programs. These high quality services result in increased therapeutic benefits of prescription drugs, which improve health outcomes and lower costs. There is simply no substitute for the in-store, face-to-face services provided by community pharmacists.

In addition, mail order businesses consistently dispense more costly brand name drugs and fewer generics than retail community pharmacies. Shifting more patients to mail order lowers the rate of generic dispensing and in turn, increases drug costs. This increased cost will fall on health plans, employers and ultimately, consumers, not PBMs.

However, we do not oppose all mail order pharmacy. We support patient choice. We believe that our patients should have the option of getting their prescription drugs at

our retail locations *or* by mail order, whichever method they prefer. We believe that the merged entity will have greater leverage to require or coerce patients to use their own mail order pharmacy as opposed to providing patients a choice.

- b. How can an individual, who receives mail order drugs, ensure that there are no conflicts with other medicines he or she is taking?

Response: Although mail order pharmacy conducts drug utilization review (“DUR”) to check for adverse interactions, the mail order pharmacist does not necessarily have all the information necessary to conduct a thorough review and lacks the ability to engage in critical face-to-face interaction. If a person chooses the mail order option, they should use the same pharmacy for both mail service and face-to-face service. Retail pharmacies provide both. This way, they can be sure that the pharmacy has their full prescription record.

How does a machine processing prescriptions in another state know this kind of information?

Response: It simply does not have this valuable information. Since PBM mail order pharmacies do not have pharmacists in the patients’ communities, there is no option of a face-to-face interaction between patients and their trusted pharmacists. In contrast, chain pharmacies that have mail order operations provide their pharmacists access to a patient’s record regardless of which location the patient uses.

- 2. I’m told about 15% of prescriptions are dispensed by mail order. This means about 85% of prescriptions are filled by a pharmacist.

- a. Has there been an overall increase in medications delivered by mail-order or has the number, or percentage, stayed the same over the years?

Response: Mail order expenditures have increased every year since NACDS started tracking them in 1992, and mail order prescriptions have increased every year except 2009.

- b. What types of medications are dispensed via mail order?

Response: Generally, medications for chronic conditions are provided via mail order. It is therefore extremely important for these patients to receive pharmacy services, including medication therapy management and face to face counseling services. Indeed, there is much anecdotal evidence of patients with chronic conditions not adhering to their medication regime to the detriment of their health and healthcare costs generally.

- c. Are all prescriptions appropriate for mail-order delivery?

Response: No, there are a wide variety of medications that are not appropriate for

mail order. Examples include: medications that are needed immediately, medications for acute conditions, medications that require special care and handling, medications that require a face-to-face discussion, medications that require counseling, situations in which a patient needs medication therapy management, and situations in which the pharmacist administers the medication such as immunizations.

Most medications should not be subject to temperature extremes and should not spend hours in blazing hot or freezing cold mailboxes at patients' homes. A number of medications must be kept in a constant state of refrigeration or be kept frozen prior to administration. The mail order option should be used judiciously and should be subject to the patient's choice.

If not, is this expected to change in the future?

Response: This is not expected to change.

- d. Has the industry reached a point where all drugs suitable for mail-order are now shipped via the mail?

Response: Despite PBMs' heavy-handed attempts at requiring patients to use, or steering patients to mail order, most patients still prefer to visit their local pharmacy and have a face-to-face interaction with their pharmacist. Allowing these entities to merge into a mega-PBM with massive mail order capacity will not change patients' needs or preferences for the beneficial services provided by local, community pharmacies that cannot be matched by PBM mail order operations.