



January 26, 2018

## Payments That Give You Fever and Chills

Dear Colleague,

This year's flu is the most widespread on record. The predominant strain is H3N2, which is known to cause the worst outbreaks. And this year's flu season started a bit early, in October, and may linger on into spring. It's hit children particularly hard. So far, 37 have died, and the flu is on track to be the worst we've seen in 15 years.



So, we all want to get our flu patients the medicine they need. And community pharmacists are doing just that but, unfortunately, you're often losing money every time you help a flu patient.

As the number of flu cases started to increase in the fall, so did the reports sent to NCPA from members that their pharmacy was being paid less than what it cost them to buy the medicine. Unfortunately, being paid below acquisition cost happens all too often. Being paid *significantly* below cost for an important medicine to treat the flu during the middle of a bad flu season sticks out as particularly egregious. So earlier this week, we took a flash survey of our membership to find out about Tamiflu/oseltamivir shortages and under-reimbursements. To those of you who took the time to respond, thank you. The results are disturbing.

Here's one member's comment: "Here is a good example ... just received Rx for one box of Tamiflu, which we attempted to fill with generic. Cost from wholesaler is \$57.99. [PBM] reimbursement was \$19.95. We see these types of things now all day every day, and you and I know that the lower reimbursement doesn't filter back to employers."

Share and share alike is usually a good thing, but not when it comes to the flu. Sometimes a physician will prescribe Tamiflu for an entire family. When a family of four

walks into a pharmacy, the pharmacy could be looking at loss of \$200 or more. That's all-over achiness your bank account feels that 400 mg of ibuprofen won't help.

In just 36 hours, we received 455 responses to our survey. The results didn't surprise us. We're used to PBM corporations abusing their power to set prices and reimbursement. It's not just on generic Tamiflu. This happens to community pharmacies every day.

Almost 88 percent of those responding tell us that they've experienced multiple incidents of below-cost reimbursements on Tamiflu/oseltamivir in the past 60 days. And more than half are telling us that they're having trouble getting oseltamivir.

As one member told us: "It is very disheartening that this is allowed to happen."

We all know that it's common practice for the PBMs to squeeze community pharmacies on generic Tamiflu and many, many other medications, and then bill their client, an employer, government entity or other plan sponsor, a much higher price than the amount they paid the pharmacy, pocketing that excessive spread. When that is the case, the plan sponsor may be none the wiser or may be unclear on how much the PBM is holding back for themselves. Maybe the PBMs are opportunistic — like the H3N2 virus.

Tell this story to just about anybody, and the answer will be, "That's ridiculous! There ought to be a law against that!"

Yes, there should be. And NCPA is doing our part to change areas we can influence, all day, every day. Unfortunately, the take-it-or-leave-it contracts that pharmacies have little choice in signing or risk losing a chunk of their business seem to allow PBMs to do whatever they want, no matter how unethical.

We're also telling your story to officials. We're fighting back. PBMs' unchecked power to profiteer needs to stop. Now.

Best,



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