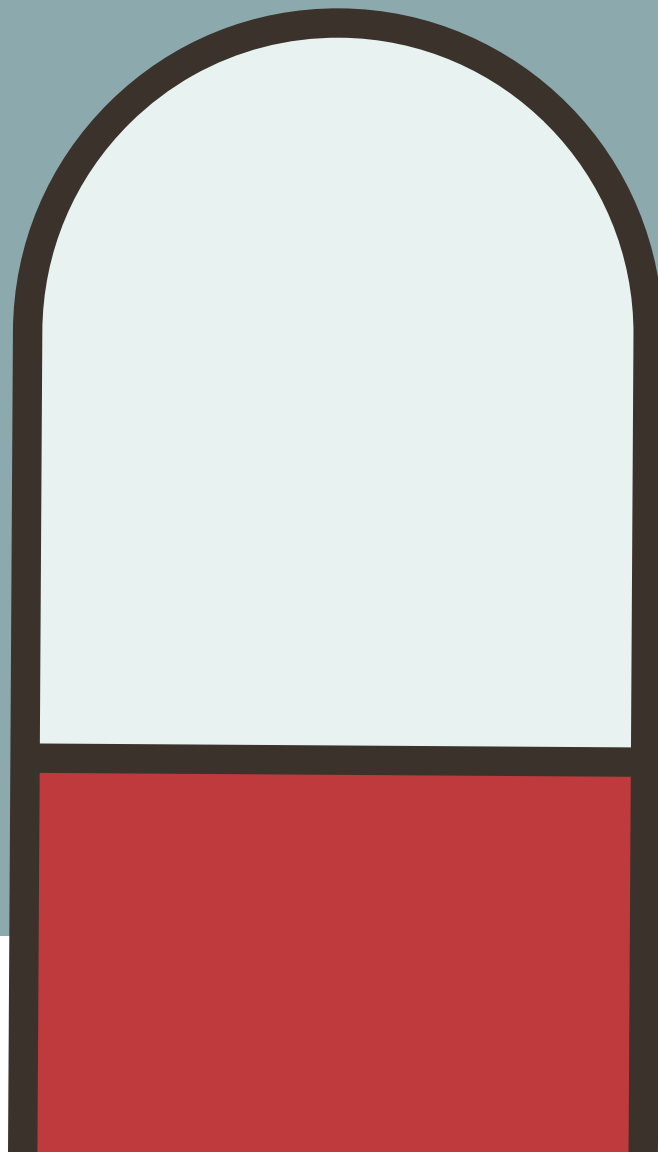


# THE PBM**MAFIA**

HOW PBM ABUSE IS SHAPING  
OUR HEALTH SYSTEM & WHAT  
YOU CAN DO TO COMBAT IT

**Hildie R. Hoeschen, RN, MSN, BA**  
Nurse, Mail Order Coordinator & Creative Director  
St. Paul Corner Drug



01.

## INTRODUCTION

*Who we are & what we do*

02.

## THE PBMAFIA

*The uphill battle independent pharmacies face*

03.

## THE BIG PICTURE

*How PBM abuse affects the whole health system*

04.

## WHAT YOU CAN DO

*Patient education & legislative action*

05.

Q&A



# AGENDA

01.

Define the role of a Pharmacy Benefit Manager (PBM).

02.

Describe how a PBM can negatively impact the healthcare system.

03.

Identify ways to combat PBM abuse through patient education & legislative action.



# OBJECTIVES

01.

# INTRODUCTION



# ST. PAUL CORNER DRUG

*Pharmacy the way it should be.*

- Fifth-generation family-owned independent pharmacy operating since 1922
- **Services:**
  - Filling Rx medications
    - Compliance packaging
  - OTC items, including high-quality nutritional supplements
  - Home delivery
  - Vaccination (over 30K COVID shots!)
  - Medication Therapy Management (MTM)
  - DME rental & purchase
  - Special ordering of Rx and OTC items
  - *Possibly more in the future!*
- **Not currently accepting new Rx patients**





# NICE TO MEET YOU!

- BA in Sociology (2017) & Pre-Med
- Master of Science in Nursing (2021)
- Doctor of Nursing Practice in Nurse Midwifery (in progress)

## MY ROLE AT ST. PAUL CORNER DRUG:

- Nurse
- Mail Order Coordinator
- Creative Director



02.

# THE PBMAFIA



# WHAT IS A PBM?

**Pharmacy Benefit Managers** are “companies that manage prescription drug benefits on behalf of health insurers, Medicare Part D drug plans, large employers, and other payers” (The Commonwealth Fund, 2019).

## **Responsible for handling:**

- Automated processing of Rx claims
- Creating "formulary" of covered drugs for payers
- Negotiating rebates with drug manufacturers
- Creating pharmacy networks
- Reviewing drug utilization
- Managing mail order & specialty pharmacies

# HAVE YOU HEARD OF...?

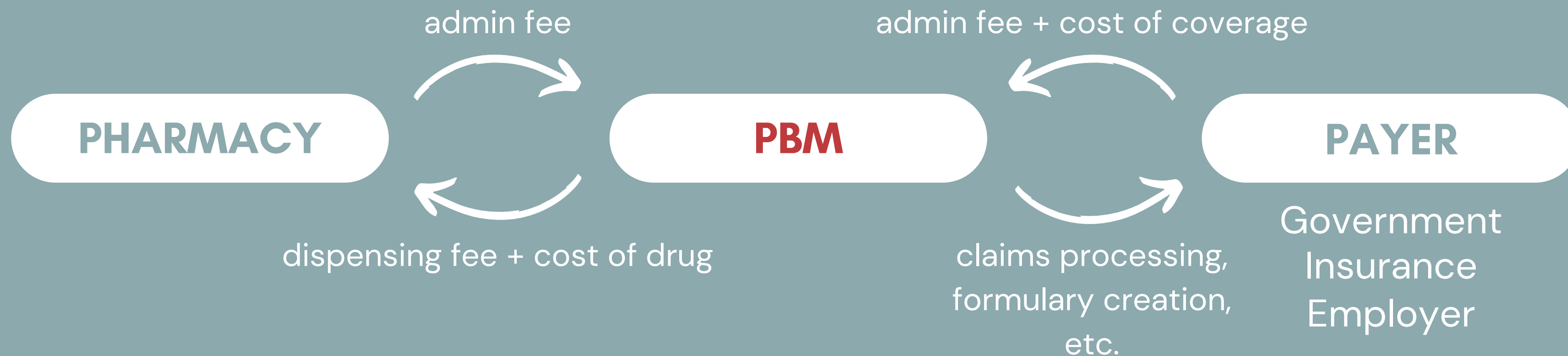
- **CVS Caremark** (owned by CVS Health, which also owns Aetna)
- **Express Scripts** (owned by Cigna)
- **Humana**
- **MedImpact** (affiliated with BCBS, HP)
- **OptumRx** (owned by UnitedHealth Group)
- **Prime Therapeutics** (affiliated with BCBS)

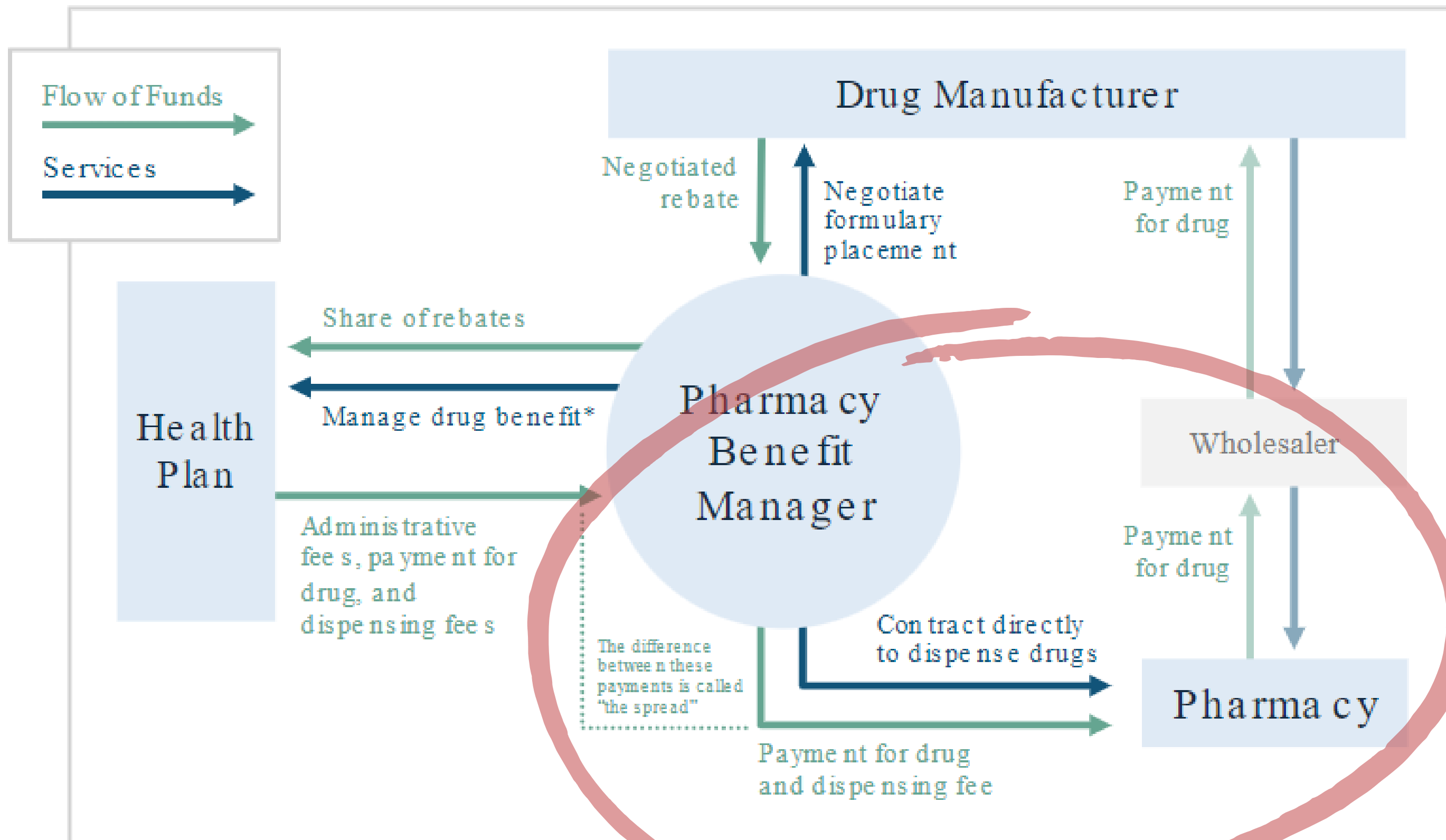
# HOW LUCRATIVE IS THE PBM AFIA?

<b>CVS Caremark</b>	<b>\$322.5 billion</b>
<b>Express Scripts</b>	<b>\$180.5 billion (Cigna)</b>
<b>Humana</b>	<b>\$92.9 billion</b>
<b>MedImpact</b>	<b>\$1.5 billion*</b>
<b>OptumRx</b>	<b>\$324.2 billion (UHC)</b>
<b>Prime Therapeutics</b>	<b>\$4.7 billion*</b>

*\*As reported by a third-party source; unable to locate company's 2022 official financial report*

# HOW PHARMACIES ARE PAID





Adapted by The Commonwealth Fund from Congressional Budget Office, "Prescription Drug Pricing in the Private Sector," January 2007

# HOW "CLAWBACKS" WORK

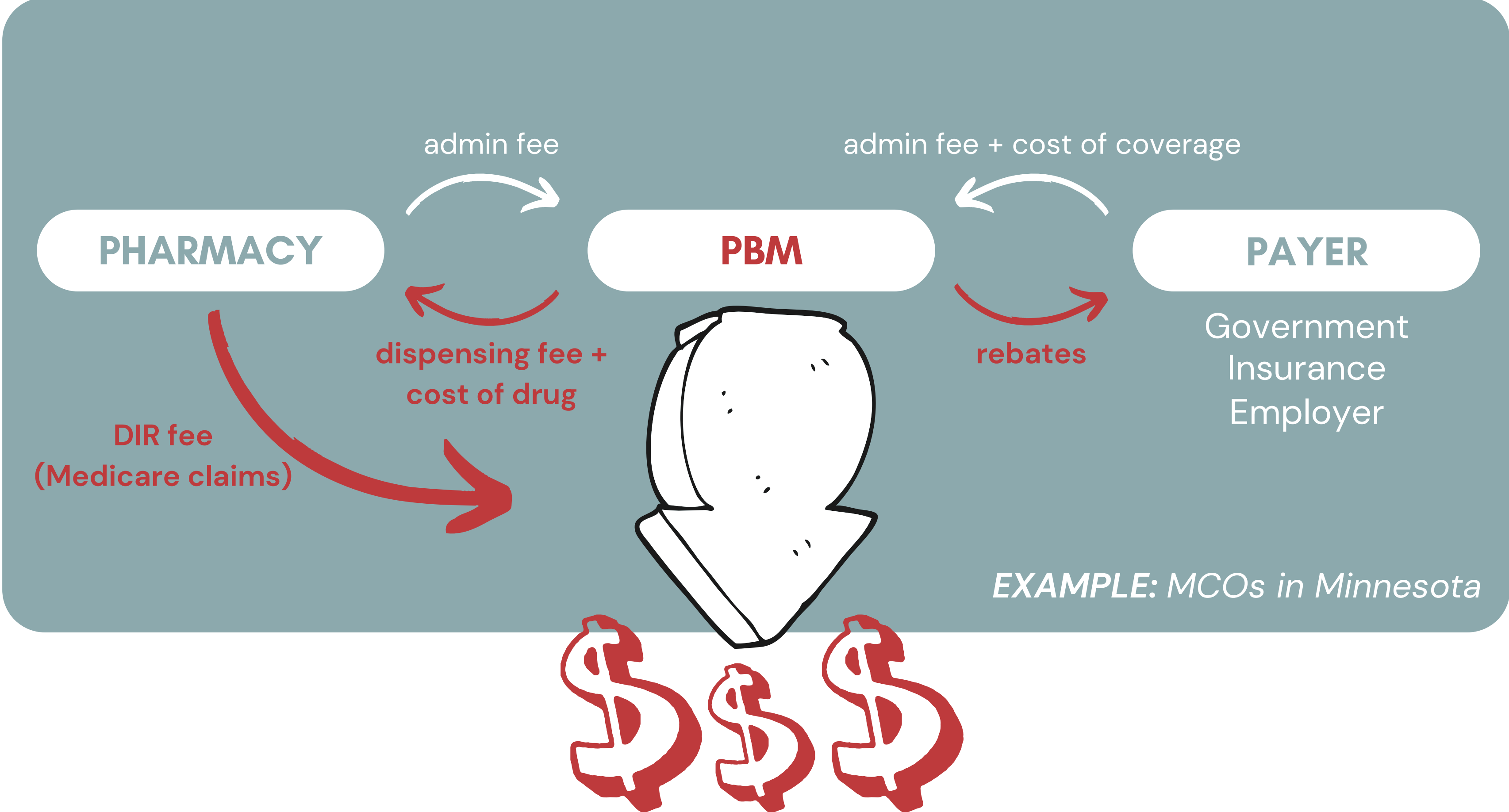




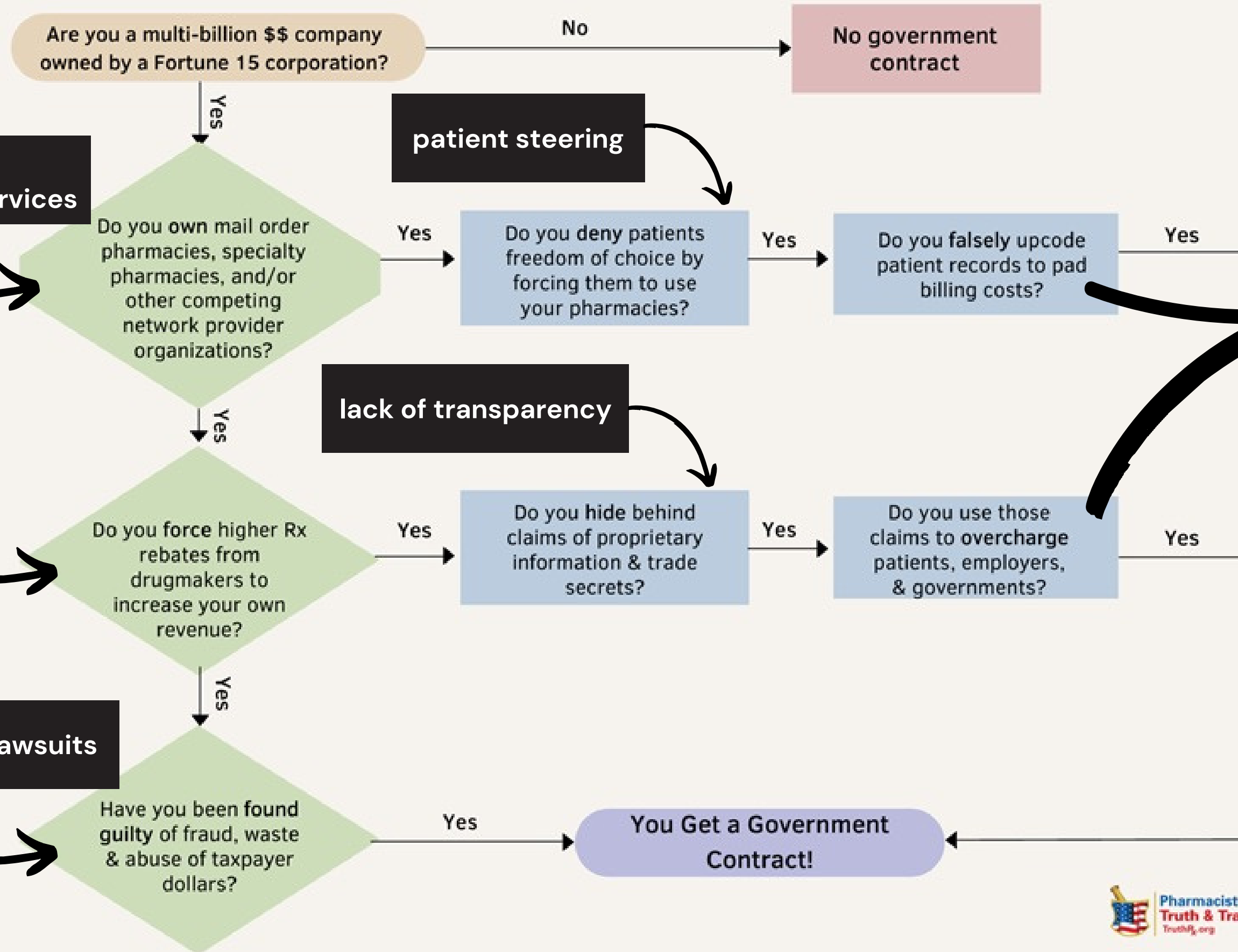
**\$341,783.64**

already paid out in DIR fees for 2023

# HOW THE MIDDLEMAN MAKES MONEY



# PBM PROCESS FOR GOVERNMENT HEALTHCARE CONTRACTS






Since January 1st, 2024...

**St. Paul Corner Drug** 651-698-8859  
240 SNELLING AVE. S.  
ST. PAUL, MN 55105  
www.stpaulcornerdrug.com

RX# [REDACTED] RF01 DF: 01/20/2024  
TRIAMCINOLONE 0.1% LOTION  
Substituted for Kenalog  
NDC#: 70752-0130-05 **This Fill: Returning**  
NO REFILLS

HP	-7.00	Copay
		<b>\$23.06</b>

**QTY: 60ML**

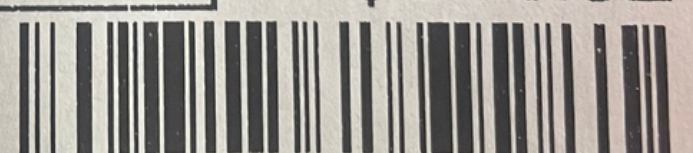


**St. Paul Corner Drug** 651-698-8859  
240 SNELLING AVE. S.  
ST. PAUL, MN 55105  
www.stpaulcornerdrug.com

RX# [REDACTED] RF00 DF: 01/04/2024  
FLUTICASONE-SALM 100-50 MCG **Will Call**  
Substituted for Advair Diskus  
NDC#: 00093-7517-31 **This Fill: Will Call**  
REFILL (03) TIMES AT 180 UNTIL 12/27/2024

HP-05	<i>COPY</i>	-10.30	<i>HD Plan</i>	Copay
				<b>\$244.32</b>

**QTY: 180EA**



03.

# THE BIG PICTURE



# BEHOLD THE "PHARMACY DESERT"

BUSINESS

## Drugstore closures are leaving millions without easy access to a pharmacy

Over the past two years, Rite Aid, CVS and Walgreens have signaled plans to shutter more than 1,500 stores, and public health experts say there's already been fallout

By [Aaron Gregg](#) and [Jaclyn Peiser](#)  
October 22, 2023 at 8:00 a.m. EDT

**IOWA CAPITAL DISPATCH** 

ELECTION 2024 GOVERNMENT + POLITICS AG + ENVIRONMENT HEALTH CARE JUSTICE EDUCATION

HEALTH CARE

COMMENTARY

## Rx is needed for rural pharmacies



CHERYL TEVIS

NOVEMBER 15, 2023 2:07 PM



StarNews Elk River Star News

## Elk River landmark, Kemper Drug, closes suddenly

2023-03-18





# THE REALITY OF THE PHARMACY DESERT

## IN OUR STATE

- Over the last decade, MN has lost more independent pharmacies than any other US state, including 24 in 2023 alone (Ramstad, 2023)
- Our newest pharmacy desert: North Minneapolis
- SPCD is one of only a handful independent pharmacies in entire TC metro area

## ACROSS OUR NATION

- Pharmacies--especially those truly dedicated to patients' wellbeing--do so much more than fill prescriptions (e.g., BP checks; vaccination; rapid testing for infectious diseases; injections for mental health conditions & HIV prophylaxis; selling of life-saving OTC medicines such as emergency contraception & naloxone; MTM; management of chronic conditions...)
- Pharmacies can be lifelines in rural or low-income areas and pharmacists are often the most accessible healthcare providers for these communities ("the goalie")
- Estimated that about **1 in 4 neighborhoods** across the USA is a pharmacy desert (Cilburn, 2023; Greg & Peiser, 2023)



***"The moral test of government is how that government treats those who are in the dawn of life, the children; those who are in the twilight of life, the elderly; those who are in the shadows of life, the sick, the needy and the handicapped."***

Hubert Humphrey (1911 – 1978)  
Former Vice President of the United States



# NOWHERE ELSE TO GO...

**National chains (e.g., CVS, Walgreens)** are closing at increased rates due to:

- Growing competition
- Changing consumer behaviors
- Retail crime
- Staffing shortages
- Minimal store investment
- Comedown from pandemic-era sales of COVID vaccines, test kits & related products

**Mail order pharmacies** (most owned and operated by PBMs) are cumbersome, confusing, and known for providing poor quality pharmacy care. They're also not an option for filling certain medications, such as antibiotics that a patient needs to begin taking right away for an active infection.



# WHO SUFFERS?

## PROVIDERS



Increased difficulty prescribing certain medications  
Inability to afford to accept certain insurance plans  
Increased logistic hurdles = less time with patients  
Leave practice from burnout (esp. post-COVID)

## PAYERS



Overpay for pharmacy services rendered  
(e.g., MN Medicaid and MCOs)

## PATIENTS



Overpay for prescriptions  
Being forced to take more expensive medications  
Being forced to change pharmacies  
Increased difficulty accessing pharmacy care...

04.

WHAT YOU CAN DO



**Spread the word!**

**Contact your  
legislators!**

*call*

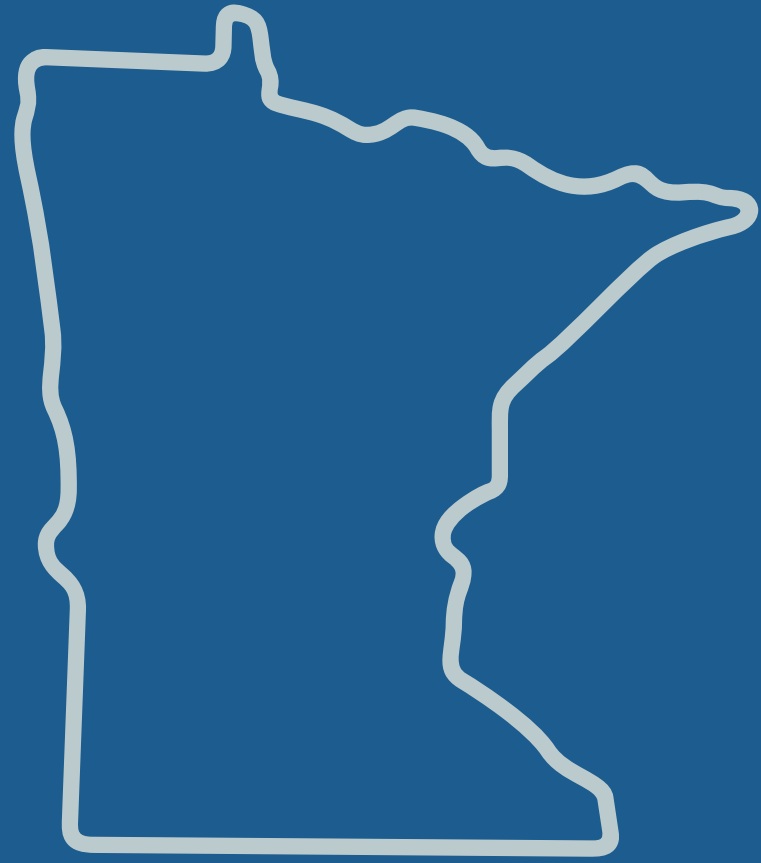
*email*

*send a letter*

*VOTE*

**Patronize indie  
pharmacies!**

**Choose your  
insurance wisely  
AND / OR  
Self-pay pharmacy!**

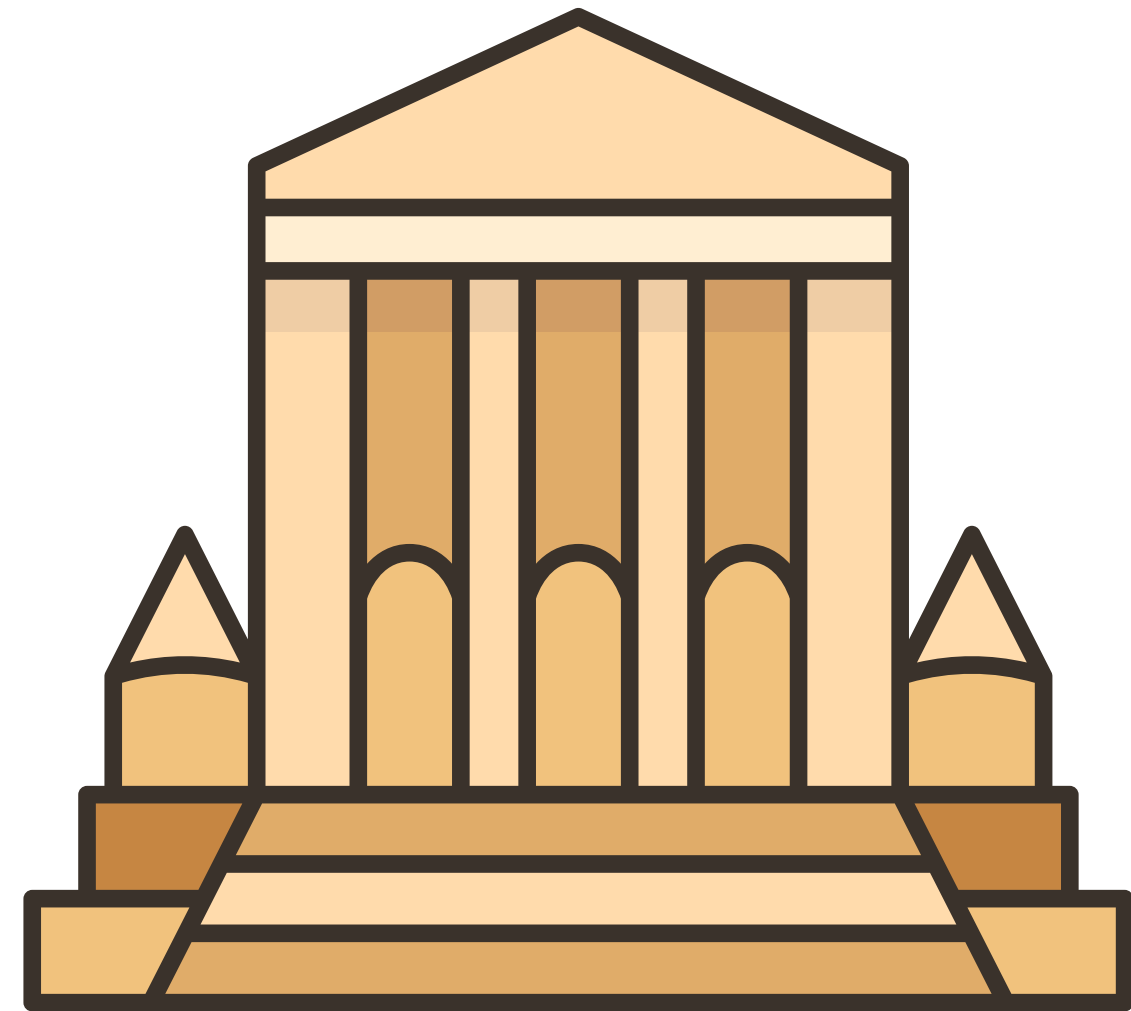


## STATE BILLS

Contact your MN (or other)  
State Senator & Representative

## FEDERAL BILLS

Contact your US Senators (2)  
& Representative







# LEARN MORE

[Legislative Action \(SPCD\)](#) [and more!]

[The Commonwealth Fund](#)

- [Pharmacy Benefit Managers and Their Role in Drug Spending](#)
- [Pharmacy Benefit Managers: Practices, Controversies, and What Lies Ahead](#)

[Minnesota Independent Pharmacies \(MNindys\)](#)

[OnPoint Podcast \(NPR\)](#)

- *Pharmacy benefit managers: The middlemen who decide what you pay for medications* [12/14/23]
- *The looming pharmacy crisis in America* [12/4/23]

[PBM Reform Podcast](#)

[Pharmacists United for Truth & Transparency \(PUTT\)](#)

[Pharmacy Patient FAQs](#)



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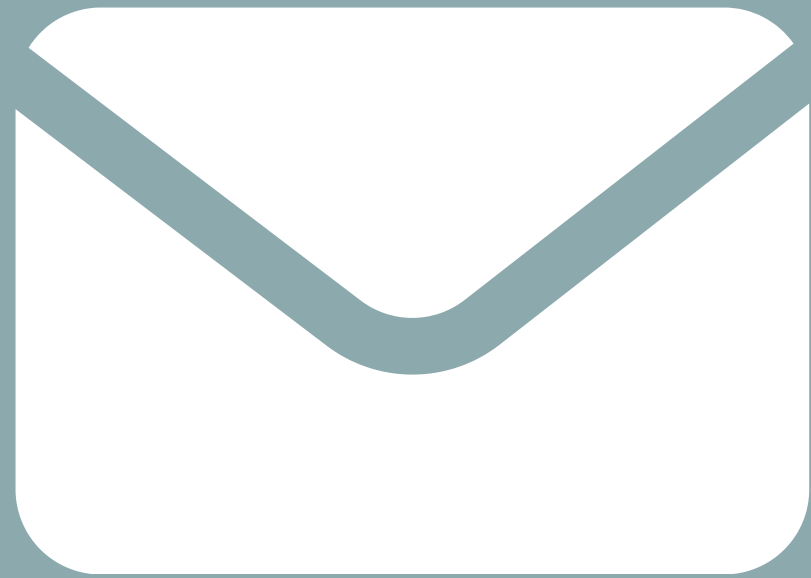
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THANK  
YOU!



05.

Q&A