

Testimony for House Bill 2598  
House Insurance Committee  
Emily Scheck, PharmD.  
Gibson's Pharmacy – Dodge City, KS  
February 17, 2020

Thank you for allowing me the opportunity to speak on behalf of my profession in support of HB 2598. My name is Emily Scheck; I am a 2016 graduate of the University of Kansas School of Pharmacy. I currently practice as a staff pharmacist at Gibson's Pharmacy, a locally owned and operated pharmacy in my hometown of Dodge City, Kansas. I stand before you today to express my concerns about the impact Pharmacy Benefit Managers (PBMs) are having on patient care and access to medication.

My main and arguably most important duty as a pharmacist is to regard patient safety and well-being above all else. Changes in the pharmacy marketplace are having a profoundly negative impact on my ability to provide quality care. A recent New York Times article cites pricing pressures from PBMs as a leading cause for increased burden on pharmacists and a troubling increase in mistakes pharmacists make. In the past year 2,284 pharmacies have closed nationwide. Most of these pharmacies cite the same pricing pressures from PBMs as the reason for their demise. The remaining pharmacies are left behind to pick up the slack of their departure at subpar reimbursement levels. This year, our pharmacy has been paid below our acquisition cost on 11.2% of submitted claims. Even more troubling, 91% of these loss claims are on prescriptions in which we are utilizing low-cost generics. This completely disincentivizes the use of drugs that help reduce patient out of pocket and in turn compromises patient care and clinical outcomes.

PBMs regularly use financial incentives or mandates to coerce our patients into using mail order pharmacies that the PBMs own. Oftentimes this occurs when a patient has been prescribed a "specialty" medication, which are typically high-cost, high-margin drugs. Steering patients to a "preferred" or "specialty" pharmacy for financial gain is extremely detrimental to patient safety. When a patient is forced to use a pharmacy other than the one they use locally for such medications, it becomes impossible for both of the pharmacies and pharmacists to accurately assess a patient's medication profile for drug-drug interactions, drug-allergy interactions, vaccine recommendations and administration, and assessment of appropriateness for over-the-counter products. This practice puts financial gain over patient well-being. Local pharmacies and pharmacists are the most equipped to handle these medications for several reasons. First, patients are not forced to receive care from strangers in different cities and in most cases other states. They can get their questions answered in person, from someone they know and trust – many "specialty" medications have unique routes of administration that are most easily understood when they are shown how to be used in person, not over the phone from a stranger. Our patients report that when they receive medications from mail-order pharmacies they very

rarely or NEVER speak to a pharmacist. ALL patients in my store get a face to face interaction with a pharmacist before they leave with a new medication. Local pharmacies also reduce the amount of time it takes for a patient to get access to care. Patients could walk into their local pharmacy and receive their treatment the same day, instead of through the oftentimes unreliable and slow mail services. Drug integrity from these pharmacies is also a source of concern; all medications have specific storage and stability specifications such as temperature fluctuations and fragility. PBM mail order programs are a detriment to my patients, reduce their free choice for where to receive care, and hinder positive clinical outcomes.

It has become exceedingly difficult to provide patients the medications that are originally prescribed to them at an affordable cost and in a timely manner. Formularies (or covered drug lists) are no longer based on clinically relevant data. Instead they are nothing more than a list of medications with the most financial gain and incentive for the PBM. I'm also concerned about the practice of PBMs artificially inflating drug prices or forcing utilization of high cost brand name product when low cost generic equivalents are available. PBMs utilize these tactics in order to collect higher rebates or kickbacks. These money hungry tactics place a financial strain on the overall health care system, as well as the pockets of patients both with and without insurance. All too often, patients are left with three options: One, pay an inflated out of pocket price for the non-formulary medication that their physician deemed most appropriate for them based on their medical history. Two, request that the physician prescribe a different, potentially non-appropriate medication that MIGHT have a lower price tag. Or three, go without the medication. It is my job as a pharmacist to help each patient navigate these three options to the best of my ability, with their well-being as my number one priority. PBMs are making this more difficult by the day.

In conclusion, the PBMs that were originally established as intermediaries for data exchange have grown into large corporations that have and continue to manipulate the pharmacy market for their own financial benefit. These manipulations are having profound impact on patients, prescribers, pharmacies, and pharmacists in our state. House Bill 2598 will help to shed light and require PBM transparency in this marketplace. I appreciate your time today and appreciate your support.



# HB 2598

HOUSE INSURANCE COMMITTEE

DR. EMILY SCHECK, PHARMD

# PBM PRICING PRESSURES

RPh [ ] Tech [ ] Rx Edit/Label [ ] Fri Feb 14, 2020

Patient [ ] Phone [ ] Rx # [ ]  
DOB [ ] Rf # 2  
Doctor [ ] Phone [ ] NPI [ ]  
NPI [ ] SN [ ]

TRETINOIN 10 MG CAPSULE [ ] PRIMARY [ ] Last Qty 100 On [ ]  
NDC 00555-0808-02 GENERIC PS 100.00 Unit Dose? N 218 Day's Past Due  
USE SAFETY CAP

Onhand 0  
Quantity 140 Dispensed 100  
Refills 6 Refs/Qty Left 5 /680

Directions (English)  
TAKE 10 CAPSULES BY MOUTH EVERY DAY FOR 14 DAYS ON THEN STOP TAKING FOR 14 DAYS OFF

Days' Supply 10 PRN [ ]

Plan(s) Pay \$ [ ] Last PRICE002  
PLAN045 [ ] P \$ [ ] Price PRICE002  
[ ] \$ [ ] \*Disc [ ]  
[ ] \$ [ ] Tax [ ]  
Orig Rx [ ] \$ [ ] Total [ ]  
Rx Date [ ] \$ [ ] Cost (1619.15)  
Written [ ] \$ -688.56 Margin  
Expires [ ] \$ [ ] Patient Pays [ ]

SIGNED & PICKED UP

Rx Memo SUBMITTED APPEAL TO ELEVATE FO>>  
Status Refillable [ ] Delivery Will-Call [ ]  
Labels 1 Label 0189s Prt 18 Pri 3

ORIG 3-ESCRIP DAW 0

F1 AddRx F2 Clear F3 Select F4 Label F5 RxHist F6 RfHist F7 Detail F8 Option F9 I-Help 10 Edit

# MAIL ORDER "SAVINGS"

Patient complains "I paid \$1,400 for 60 Enoxaparin 40mg syringes at "specialty" pharmacy last month."

- Test claim at independent pharmacy shows identical claim would only cost patient \$280.95.
- Patient was misled into thinking he could only use PBM owned pharmacy.
- PBM owned pharmacy sets higher net price at pharmacy they own.

RPh **MRM** Tech  Rx On-Line Edit 06:14 AM

Bronze  Phone  Rx #   
Doctor  Phone  NPI   
Drug **ENOXAPARIN 40MG/0.4ML SYR** PRIMARY Last Qty  On

Plan	Submitted	Adjudicated	PlanPay	Copay	Last Copay	Drug U&C
PLAN045	\$ <input type="text"/>	\$ 280.95	\$ .00	\$ 280.95		\$ <input type="text"/>
					DAW	Drug Cost
						\$ <input type="text"/>
Submitted	IngrdCost	DispFee	Incentive	SalesTax	Price Difference	Margin
PLAN045	\$ 280.80	\$ .15	\$ .00	\$ .00	\$ <input type="text"/>	\$ <input type="text"/>
PLAN045 INGREDIENT COST REDUCED TO AWP LESS X% PRICING						

ADDITIONAL MESSAGES  
(Authorization 200374086255139998).

Plan Paid
F1 Cont F3 Finish F4 Copay F5 FaxPrt F6 Trace F7 Detail F8 Revers

# FORCED BRAND NAME UTILIZATION

RPh [ ] Tech [ ] Rx Edit/Label [C] 8233 New Faxes

Platinum [ ] Phone [ ] Rx # [ ]  
DDI:SUMATRIP, FLUOXETINE MLG 0>> DOB [ ]  
Doctor [ ] Phone [ ] NPI [ ]  
SN [ ]

\*ADVAIR 250/50 DISKUS 60'S~~  
NDC 00173-0696-00 BRAND PS 60.00  
P M Onhand -60  
Quantity 60 Dispensed 60  
Refills 6 Refs/Qty Left 6 /360

Directions (English)  
INHALE ONE PUFF BY MOUTH TWO  
TIMES A DAY

Days' Supply 30 PRN [ ]

Plan(s) [ ] Pay \$ [ ] Last PRICE002  
P \$ [ ] Price PRICE002  
\$ [ ] \*Disc [ ]  
\$ [ ] Tax [ ]  
Orig Rx [ ] \$ [ ] Total [ ]  
Rx Date [ ] \$ [ ] Cost(373.45)  
Written [ ] \$ [ ] Margin [ ]  
Expires [ ] \$ 380.69 Patient Pays [ ]

Rx Memo INS PREFERS BRAND, EXPLAINED T>>  
Status Refillable Delivery Will-Call  
Labels 1 Label 0189s Prt 18 Pri 3

F1 AddRx F2 Clear F4 Label F5 RxHist F7 Detail F8 Option F9 Help 10 Edit

**Average claim for generic  
equivalent = \$140**



# FORCED BRAND UTILIZATION

RPh [ ] Tech [ ] Rx Edit/Label [C] Fri Feb 14, 2020

RedeemRx  
F&C  
STBAND  
360 Clinical 360  
NarcFacts  
Rx30 Support  
R30

Bronze [ ] Phone [ ] Rx # [ ]  
DOB [ ]  
Doctor [ ] Phone [ ] DEA [ ]  
SN [ ]  
DP SYNTHROID ONLY!!!  
\*CONCERTA 54 MG TAB ER ~~ PRIMARY [ ] Last Qty 30 On [ ]  
NDC 50458-0587-01 BRAND PS 100.00 Unit Dose? N Day's Left in This Fill  
P M Onhand 80 NEW GEN 5-11 USE SAFETY CAP  
Quantity 30 Dispensed 30  
Refills 0 Refs/Qty Left 0 /0  
Plan(s) Pay \$ [ ] Last PRICE002  
PLAN045 [ ] \$ [ ] Price PRICE002  
\$ [ ] \*Disc [ ]  
\$ [ ] Tax [ ]  
Orig Rx \$ [ ] Total [ ]  
Rx Date \$ [ ] Cost(386.74)  
Written \$ [ ] Margin [ ]  
Expires \$ [ ] Patient Pays 215.88  
SIGNED & PICKED UP

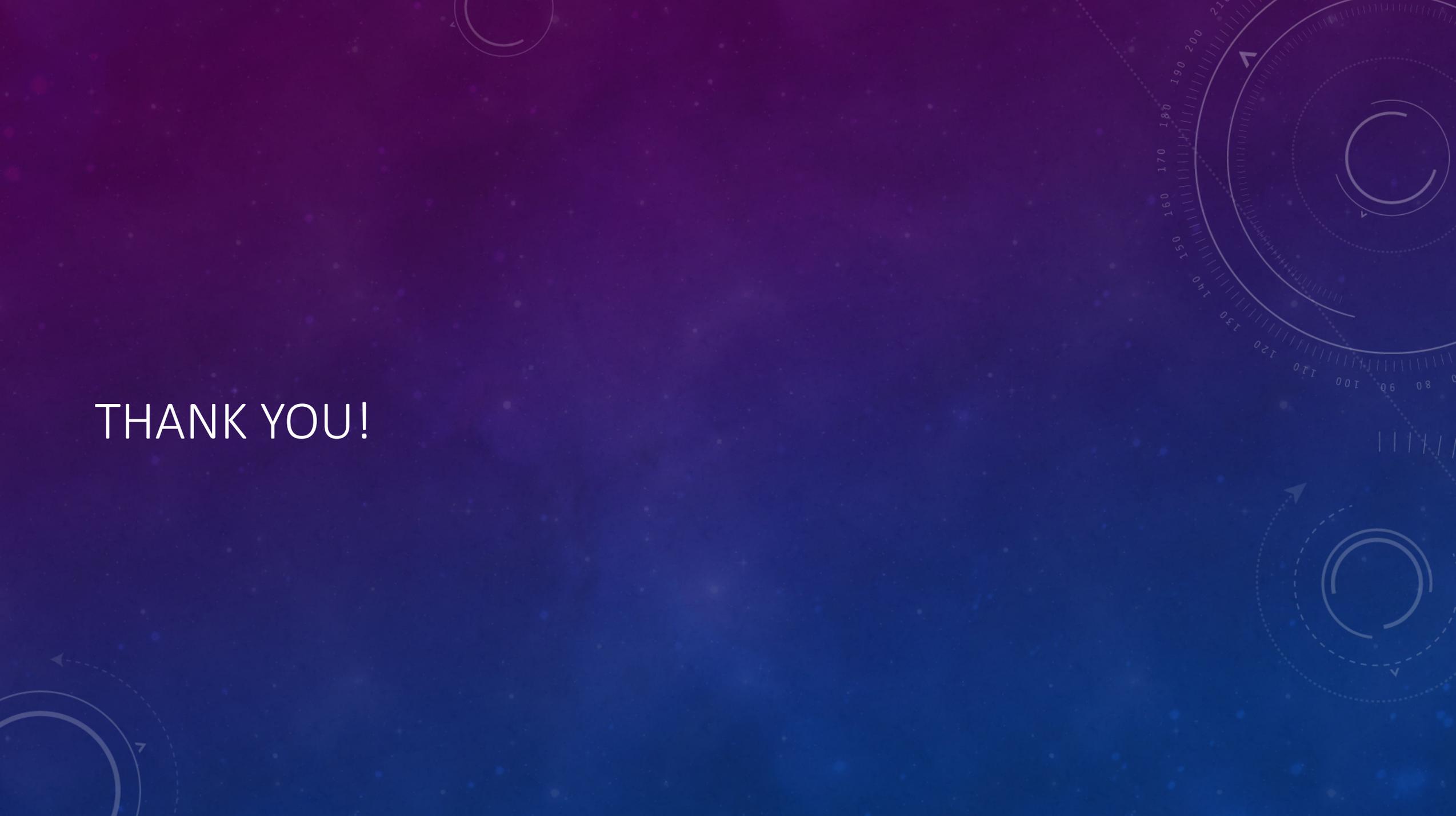
Directions (English)  
TAKE ONE TABLET BY MOUTH EVERY DAY  
Days' Supply 30 PRN [ ]

Rx Memo [ ]  
Status Refillable Delivery Will-Call  
Labels 1 Label 0189s Prt 18 Pri 3

F1 AddRx F2 Clear F4 Label F5 RxHist F7 Detail F8 Option F9 Help 10 Edit

**Cash price for generic equivalent = \$94.28**

THANK YOU!



2-12-20

To Whom it May Concern:

My name is Gail Sawyer and my son, Patrick, has type 1 diabetes. In the fall of 2017 his endocrinologist recommended that he start using the Dexcom system for continuous glucose monitoring. I was given the customer service phone number for Dexcom to start the insurance verification process and to order his supplies.

I had our local pharmacy try to see if I could get the product through them as I get all his other diabetic supplies (insulin's and test strips, glucose meters). When running the claim through our insurance, which is Blue Cross Blue Shield of Kansas) I was told it was denied as "non covered".

It has been at times a very frustrating and challenging process to order all his Dexcom supplies directly from Dexcom . When ordering there are times that it takes them a couple of days to get "insurance verification" before they can process the order. Dexcom always tells me what my portion will be and charges my credit card that portion before the order is processed. Almost every time when I do receive my Explanation of Benefits from my insurance, the amount that is owed by me is NOT what Dexcom told me, thus I then have to work with them to get a credit issued back on my credit card.

Another big concern I have using a mail order type service (for his Dexcom supplies) is that they deliver the items to my son and leave the boxes of supplies on the front porch if he is in class and not at home. So that means that a box containing supplies that cost around \$1000 is being left on a doorstep, where as if I could get these supplies from my local pharmacy, that would not be an issue.

It would be so convenient to get all my son's diabetic supplies at an actual pharmacy instead of being forced to mail order them directly from the company. I'm not sure why Dexcom is territorial about their product? Please make it easier for those who need these supplies instead of harder to get them.

Sincerely,

Gail Sawyer

Date: February 11,2020  
From: Tracy Schneider  
Re: PBM

To whom it may concern:

I have medical conditions that require me to take several maintenance drugs. I am covered under my husbands insurance through his employer. In order for this insurance to pay for a portion of my prescriptions, I am required to have them filled at a CVS pharmacy. Several years ago, since we did not have a CVS pharmacy in town, that meant having to use their mail order system. This was very inconvenient. One of the medications I take is insulin. I was never sure when it would arrive at my door so at times it was left in the heat or cold. I also was out of medicine for several days when my prescription did not arrive on time. We now have a local CVS pharmacy so I am required to have my prescriptions filled there. I am not always happy with the customer service that I receive there but am not allowed to use a pharmacy that I choose due to insurance restraints. There are other pharmacies closer to my home and that deliver medications when necessary, that I would rather have my prescriptions filled at. I feel that since we pay a substantial amount of money for insurance each month, I should be able to use a pharmacy with good customer service that I trust instead of being limited to the pharmacy the insurance company forces me to use.

Sincerely,

Tracy Schneider  
122 W. Bond Street  
Salina, Kansas 67401

To whom it may concern,

I am writing this letter with deep concern of my freedom of choice where my medications and choice of pharmacies are concerned.

The past at least 10 years, I've have been told by my insurance companies who I need to use as far as pharmacies for my medication refills. In order to receive a 90 day supply and be more cost effective, I have to use a mail order, or CVS.

I was told by my insurance companies that if I stayed with my mom and pop pharmacy, that I may only receive a 30 day supply of my medications at a time. However, if I would use mail order, or CVS, I may receive a 90 day supply on most medications which will be more cost effective.

A few years ago I tried to use the mail order Pharmacy. That was by far one of the worst experiences I have ever had to endure. They were never delivered to my home in a timely manner, if ever. There were times that the pharmacy was to contact my doctor for a refill, they would fax it in and not follow up. Then that left me without medications that I would have to receive an emergency fill from my local pharmacy. Trying to explain and prove any of the above issues was like an act of Congress to get any transaction processed. I then switched to CVS because of cost of 30 days of medications versus 90 days of medications.

This is a blatant unconstitutional right of freedom of choice that has been stripped from myself and most Americans. Because of Obama care and large pharmacies, has left myself and others at the mercy of the insurance companies decisions. In short, my self and all Americans should be able to choose where they obtain their medications and people should be able to receive a 90 day supply at each refill, at the pharmacy of their choice, due to cost efficiency.

Thank you for your time.

Debra A Stenstrom  
Junction City Kansas.