

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

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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, PHARM.D

PBM PRICING PRESSURES

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

Patient [redacted] Phone [redacted] Rx # [redacted]
DOB [redacted] RF # 2
Doctor [redacted] Phone [redacted] NPI [redacted]
NPI [redacted] SN [redacted]

PRIMARY [redacted] Last Qty 100 On [redacted]
Unit Dose? N 218 Day's Past Due
USE SAFETY CAP

TRETINOIN 10 MG CAPSULE
NDC 00555-0808-02 GENERIC PS 100.00
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 \$ [redacted] Last PRICE002
PLAN045 P [redacted] Price PRICE002
*Disc [redacted]
Tax [redacted]
Total [redacted]
Orig Rx [redacted] Cost (4619.15)
Rx Date [redacted] \$ -688.56 Margin
Written [redacted] \$ 0.00 Patient Pays
Expires [redacted] SIGNED & PICKED UP

Rx Memo SUBMITTED APPEAL TO ELEVATE F0>>
Status Refillable Delivery Will-Call
Labels 1 Label 0189s Prt 18 Pri 3

ORIG 3 ESCRIPT DAW 0

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

6-4

FORCED BRAND NAME UTILIZATION

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

Platinum [] Phone [] Rx # []
DDI: SUMATRIP, FLUOXETINE MLG 0>> DOB []
Doctor [] Phone [] NPI [] SN []
Last Qty 60 On []
PRIMARY [] Unit Dose? N Day's Left in This Fill []
USE SAFETY CAP []

*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 []

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

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

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

ORIG 3 ESCRIPT DAW 9 OTHER

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

FORCED BRAND UTILIZATION

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

Bronze [Rx] [Logo] Phone [Redacted] Rx # [Redacted]

DOB [Redacted] Phone [Redacted] DEA [Redacted]

Doctor [Redacted] SN [Redacted]

DP SYNTHROID ONLY!!!

*CONCERTA 54 MG TAB ER ~~ Last Qty 30 On [Redacted]

NDC 50458-0587-01 BRAND PS 100.00 **Day's Left in This Fill**

P M Onhand 80 NEW GEN 5-11

Quantity 30 Dispensed 30

Refills 0 Refs/Qty Left 0 / 0

Directions (English)
TAKE ONE TABLET BY MOUTH EVERY DAY

Days' Supply 30 PRN

Cash price for generic equivalent = \$94.28

ORIG 3-ESCRIPT DAW 9-OTHER

Plan(s) Pay \$ [Redacted] Last PRICE002

PLAN045 Price \$ [Redacted] PRICE002

*Disc \$ [Redacted]

Tax \$ [Redacted]

Total \$ [Redacted]

Cost(386.74)

Margin \$ [Redacted]

Patient Pays **215.88** **SIGNED & PICKED UP**

Rx Memo [Redacted]

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

THANK YOU!

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