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My Name is Casey McFadden. I have been a pharmacist for 28 years. In 2003, I bought McFadden Pharmacy which sits in the southern Ohio village of Bainbridge. I have continued to work 6 days a week as the only pharmacist proudly running McFadden Pharmacy for the last 21 years providing pharmaceutical and healthcare needs for this community.

McFadden Pharmacy is also a well known supporter financially of the people and activities of the community. McFadden Pharmacy sits in a village of just less than 800 people. It serves a population of around 2900 people of which about 50% of the pharmacy's population is state assisted.

McFadden Pharmacy offers prescription services, as well as vaccines, Point of Care testing, Medication reconciliation, Medication synchronization, Dispill multidose monthly pill packaging, single medication monthly packaging, Medication therapy management, and delivery. We also offer Over the counter counseling and 24 hours emergency services. Other than vaccines and POC testing all these services are free to our patients. We offer a delivery range that forces us to drive 50 to 70 miles three days a week to help our patients with their medication and healthcare needs. With the recent closing of Trusted Healthcare, a doctor's office, McFadden Pharmacy is now the only healthcare for the people of this community.

PBM shenanigans

Third party Audit Abuse

In October, the pharmacy filled a prescription for Ozempic injection for a patient with diabetes. Ozempic is typically dosed 0.25mg weekly for 4 weeks then increased to 0.5mg weekly thereafter. The prescription directions as written on the prescription stated only to take 0.25mg weekly, leaving out the increase to 0.5mg at week 5. The patient, after 4 weeks, increased the dose saying the Physician had told him to. The prescription, as it was written, should have lasted 42 days, but

once the dosage was increased would only last 30 days. The pharmacist called the physician to try and get a new prescription with the correct directions for the dosage increase. After multiple attempts and no reply, the patient was now out of medication and due to be filled by the pharmacy. The pharmacist, knowing the typical directions for the medication were being followed and the patient was out of medication, decided to go ahead and fill the refill for the prescription even though it was slightly early according to the written directions.

This prescription was "randomly" audited by the PBM. The auditing company declared that the prescription was filled too earl and that the refill shouldn't have been filled. They stated that the $944.00 the pharmacy was paid would be taken back. The pharmacy appealed the decision with a letter from the physician saying that the patient was correct in how he took the medication and the directions on the prescription were clarified to show that. The auditing company still declared it was too early and stated the $944.00 would be taken back.

The pharmacy further appealed the decision after the final auditing companies' decision with the actual insurance company. They again denied the appeal.

So moral of the story: The pharmacy dispensed the proper medication to the proper patient. The patient took the medication as he was told by the physician who later confirmed the directions. The pharmacy was penalized for making sure the patient continued to receive the proper medication when it was needed by the patient. And because of taking care of their patient, the pharmacy was now out $944.00 plus the labor of an audit review three times. Audit reviews take hours of work by the pharmacist and the staff.

Under Payment by PBM's

Today, the pharmacy dispensed a prescription for amlodipine 5mg tablet for 30 pills for a Tricare patient. The pharmacy reimbursement was $0.54. 54 cents doesn't pay for the bottle and label, let alone the medication and labor involved with dispensing it. I can sell a candy bar or a bottle of pop for more profit than a prescription drug, neither of which require a pharmacy distribution license, a licensed pharmacist, nor certified technician. Our State of Ohio licenses and certifications mean nothing at all to PBMs and clearly hold little value. The State of Ohio, the licensing authority, must support its license holders by forcing PBMs to respect these positions and what pharmacists and technicisans do for the patient.

Elevated Drug Pricing and Clawbacks

Yesterday, the pharmacy refilled a prescription for a patient. The original fill for the prescription a month earlier was $45 copay. This time the prescription was $135. The patient questioned the copay and, after further review by the pharmacy, the amounts for each claim were both identified by the third party as copay only claims and no payment by the third party. This means that the pharmacy only received payment for whatever the copayment was. After the pharmacy checked the retail price, the pharmacy determined that the pharmacy's retail price would be $80 which was $55.00 cheaper than the copay issued by the third party. The pharmacy's cost on this medication was $80 before rebate and $35 after rebate from the wholesaler. This is speculation, but I'm guessing the third party would have later issued a clawback "GER fee" to the pharmacy reclaiming the additional copayment paid by the patient. This causes the patient to pay way more than they

should and makes it appear as if the pharmacy is robbing the patient and being greedy. What is actually happening is the third party is collecting profits on the back end as the pharmacy loses more money. This whole thing is a mess and needs to stop.

Brand Drug Required when Generic is available

1. This causes Patients to pay a higher price for medication, sending them into the donut hole earlier for Medicare Part D.
2. Pharmacies are reimbursed at a lower profit margin for Brand than Generic.
3. It forces Pharmacies to purchase a higher volume of brand versus generic drugs either raising their wholesaler contract pricing for medications across the board or putting them at risk for higher pricing.
4. There is no rebate for pharmacies on brand name drugs. Invoice cost is cost!
5. PBMs must be receiving rebates from Brand Manufacturers for using their products.
    a. There needs to be clarity showing what the savings are and if and how much is coming back to insurance companies and Patients
6. In what world does this make sense to pay way more for a brand: Examples:
    a. Ventolin $35.00 higher than the generic
    b. Symbicort $74.54 higher than the generic
    c. Farxiga $214.92 higher than the generic
    d. Daliresp $418.9 higher than the generic
    e. Vascepa $321.19 higher than the generic

Pharmacy Steering

McFadden Pharmacy is a rural pharmacy meaning the closest pharmacy is over 15 miles away. Even so, we constantly have patients who must drive 15 miles to go to another pharmacy or use forced mail order because of insurance requirements. This may be caused by a preferred or non-preferred status by the pharmacy or mandatory pharmacy situations by the PBM. Either way, patients should have the option to go to their local pharmacy especially in a rural setting. Also, the pharmacy should not be required to sign a preferred contract to keep these patients; that is an unstainable model financially. All pharmacies should be offered the same contracting that offers at minimum-cost plus fee.

Pharmacy PBM Incentive programs and 90-day supplies

Many PBMs offer incentive programs based off patient compliance within many medication therapies such as blood pressure, cholesterol, diabetes. PBMs remove money from each prescription filled then give this money back to the pharmacy based off the patients' refill history and compliance. So, they are incentivizing the pharmacy with the pharmacy's own money???

Also, many plans try to get pharmacies to fill patient medications for a 90-day supply to aid in patient compliance. Pharmacies face challenges with this because most if not all PBM contracts reimburse pharmacies at a lower rate for a 90-day supply compared to a 30-day supply. This becomes very clear when the pharmacy is dispensing a 30-day supply of a Brand name drug which is usually dispensed at pharmacy cost or slightly lower then switches to a 90 days' supply often losing even more than 3 times the loss of the 30 days' supply.

How do you Help?

1. Force PBMs to be clear on their pricing for pharmacy reimbursement. What and where are PBMs basing drug pricing from?
2. PBM manufacturer rebates must be clearly defined and passed on to the healthcare system as savings to the system not to the PBM.
3. Audit abuse must stop. Set criteria for what allows a PBM to take back full price. Abuse or waste is one thing and needs to be corrected. Dispensing the correct Patient, correct drug, correct therapy is another thing altogether and should not be penalized.
4. Pay pharmacy a fair price for the drug plus a dispensing fee that is at least equal to the state Cost to dispense survey. Pharmacies will not survive on reimbursement solely based off PBM's fictitious pricing and cost with no dispensing fees. Per the Ohio Revised Code 4729-5-5-08 and 4729-5-5-09: Pharmacists are required to perform a Drug Utilization Review as well as offer to counsel patients on each prescription dispensed. Therefore, each prescription is more than just a product, but also a service and pharmacies need to be paid for such.
5. Stop the shenanigans of PBMs. State auditor David Yost has uncovered many of them, but it's just the tip of the iceberg. PBMs were designed to save the healthcare system money. Since its beginning, healthcare costs keep going up on the one end and the pharmacies are closing on the other end. And Guess who in the middle keeps getting wealthier. The middleman. The PBM.

If you want Pharmacies, specifically independent pharmacies, to survive something must be done now to stop the PBM abuse! Pharmacy as a profession will continue to evolve and pharmacy owners must continue to evolve with it, but that still means pharmacies must be paid a fair price for dispensing medications to patients to continue to serve that crucial part of the Healthcare system.

I urge you to do some research and contact the independent pharmacies in your area. Go in and see their struggles and what they do for their communities. Please take a stand! I support HB NO 505

Sincerely,

Casey McFadden

Owner/Pharmacist

McFadden Pharmacy