

PBM Reform

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Pharmacies are...

- Accessible
 - 90% of Americans live within 5 miles of a Pharmacy
 - 50% live within 1 mile
 - Open Evenings and Weekends
- Health service destinations
 - Provide Medication Counseling
 - Provide health testing
 - Provide vaccinations
- Public servants
 - Worked through the Pandemic
 - Provide care during disasters

The Business of Retail Pharmacy

- Every \$1 of gross sales equates to \$0.03 in net earnings
- 50% of net earnings comes from pharmacy
- 50% of net earnings comes from front end sales
- Margin pressure on pharmacy related to reimbursement from payors
- Higher margin on front end retail sales

Who are the PBMs

3 PBMs Control 80% of the Market:

Caremark, owned by CVS Health/Aetna (34%)

Express Scripts, owned by Cigna (25%)

OptumRX, owned by UnitedHealth Group (21%)

The Business of PBMs

- Rebates
- Pharmacy Spread
- Administrative Fees
- DIR Fees
- PBM Owned Pharmacies

Reforming the System

- Prohibit Clawbacks
- Prohibit Mandatory Mail Order
- Prohibit Reimbursement of *Less Than* NADAC or WAC
- Ensure transparent DIR Fees

Thank You!

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