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March 1, 2023

The Honorable Tina Liebling,

My name is Deborah Keaveny and I own 2 small drugstores, one in Cokato and one in Winsted, MN. I know I am not one of your constituents, but I wanted to reach out and thank you for putting forth a bill HF1752, that will truly make a difference for the pharmacists and their patients in Minnesota.

It is a daily struggle to keep the business rolling and take care of our patients. MN has lost more pharmacies than any other state. At one time MN had the most independent pharmacies of any state in the nation. Sadly, that is no longer true. Most of the pharmacies that have closed in the last several years have stated that it was due to the antics of the pharmacy benefit managers that caused them to close their doors. The situation is not getting any better, in fact it is getting worse.

The Pharmacy Benefit Managers are relentless in making our lives difficult. I know you are aware of the antics (patient stealing, spread pricing, opaque contracts, take it or leave it contracts, below cost reimbursement, forced mail order, forced specialty pharmacy, changing formularies midstream with patients, requiring PAs on silly things, step therapy requirements, forcing the dispensing of a brand when a generic is available, not covering refills at the local pharmacy, but forcing a patient to a chain drugstore or their own mail order .... the list goes on).This is not a case where the small mom and pops cannot compete with the bigger companies. This is a case where the bigger companies are so powerful and so rich that they suffocate us and tilt the scales so far, we cannot compete.

Many of us have submitted several complaints through the Department of Commerce, and while the Department of Commerce is working on the complaints, it takes time and is so complex it is difficult to understand. CVS was levied a $1.25M fine for patient steering. A month after that announcement, my patients were still receiving letters from CVS steering them to a CVS store or mail order and rejecting the claims at the pharmacy point of sale, not allowing the claim to be paid. This forces a patient to pay cash out of pocket or go to a pharmacy they do not choose or want to go to.

I list the problems with PBMs because even though the state acknowledges the problems and has tried to remedy them, the PBMs continue to break the rules and abuse patients and pharmacies. The PBMs have proven they cannot be trusted. The state has entrusted 1.2 million Medicaid patient's care to the PBMs. A total MN Medicaid FFS carve out should be easy. There are already over 200,000 patients on the MN Medicaid FFS. It is a program that works, is fair and 100% transparent. This is proof that the current program is a much better model than the MCO/PBM model. There is no need to add the PBMs to the middle of the relationship, allowing them to extract their profits from pharmacies and the state. Other states that have accomplished a Medicaid carve out by either removing the PBMs all together from the program, limiting the program to 1 transparent PBM or forcing the MCOs to reimburse the pharmacies the state FFS rate, (WV, IA, OH, NY, CA), have seen savings to the state in the millions and increased care and satisfaction from patients because they can choose their care with their local pharmacy.

The opposition (PCMA, PBM lobbyists, and perhaps some of the plans) will argue that moving to this model will cost the state millions in increased reimbursement to the pharmacies. The cost plus dispensing fee is only one part of the overly complicated system. If they use this argument, I would ask them to show their work. How do they arrive at the statement costs will go up? In some of the states that have won this battle or states that are in the process, the high paid lobbyists could not answer that question. Just scare tactics. Removing the PBMs all together reduces cost dramatically.

MN pharmacies do not have much power and certainly do not have enough money to fight the 20 plus lobbyists from the opposition we expect will fight this bill. We are just pharmacists that go to work every day and hope there is enough money from selling anything other than drugs to keep the lights on and pay our employees. This single bill when passed and implemented, will improve our outlook quite a bit. It gives us the ability to take care of our patients, and be treated fairly. Right now, 45% of my prescriptions are paid by the PBMs for these MCO patients. The contracts for these pharmacy networks are not negotiable and reimburse pharmacies below the cost of the drug for virtually every brand medication we fill. On top of that, several of these PBMs have placed Brand medications on their formularies where there are generic equivalents available, under paying us for these as well. The Over-the-Counter medications covered under these plans are usually also reimbursed below cost or in pennies and the generic medications we get reimbursed for are pennies as well. I run a loser list every month and have started doing that for specific BIN/PCN to try to evaluate the effect these plans have on my pharmacy. My loser list is any med reimbursed below my cost to buy the drug itself. It is common to lose $25-$40 or more on a single med. The list is long and seems to get longer every month. It has been an extremely hard decision to continue to serve our patients by taking the loss (supplementing the profits of Fortune 4 company and Fortune 5 company United Healthcare/Optum). There are many pharmacies that are making the tough decisions to stop stocking brand meds or moving to a cash only business. That would certainly impact this patient population.

I founded a group called MNIndys (Minnesota Independent Pharmacists). Collectively we all thank you and the rest of the committee for tackling this issue. Please know if the committee needs any additional information or has questions, we are happy to help and respond.

Respectfully-

Deborah Keaveny

Pharmacist/Owner

Founder of MNIndys

MNIndys
MINNESOTA INDEPENDENT PHARMACISTS