Currier Drug Inc.

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Peter Mucchetti, Chief
Healthcare and Consumer Products Section
Antitrust Division
Department of Justice
450 Fifth Street NW, Site 4100
Washington D.C. 20530

Dear Chief Muchetti;

Our paths will never cross. Even though we are both U.S. citizens, and living lives that we were created to live, I do not believe our paths will ever cross. Yet as a 56 year old woman, and mother of two, who has owned and operated a small independent pharmacy in the N.W. corner of Kansas, 231 miles from the nearest metro area of Denver, Colorado, I am compelled to write to you today. Rawlins County, where I reside is big, about the size of Rhode Island with only a population of 2,552 throughout the county. Our county seat has only a population of 1,100. I am writing to let you know that the merger between CVS Caremark and Aetna is not in our best interests and not in the best interest of any other small healthcare business owner, hospital, lab or clinic. This merger should be halted and you have been chosen to see through the issues and to make the best determination on this merger.

My husband Jim and I have owned Currier Drug Inc. for the last 20 years. When we assumed control of the keys July 1, 1998 this store was slated to forever close on Dec 31, 1998. Where we have chosen to live is as precarious as the environment that we live in, but choose Atwood, KS we did. Jim wanted the challenge of having the authority and responsibility in

an independent pharmacy setting, verses Chain Pharmacy, which only offered responsibility. As a young woman having been raised in Montana by strongminded women and men, I did not want to work for anyone else. Twenty years later I still don't want to work for anyone else. Our real reason for moving from Colorado to Kansas was truly to raise our two children in a place that allowed us to all live, work and play together in a smaller setting,while raising them to be productive tax paying adults in what I consider to be one of the greatest nations on our earth.

Our pharmacy, our employees, Jim and I are the front line in healthcare. The foot soldiers so to speak. Ask any foot soldier what they think of this merger and the response is the same, it should not go through. It would just be another nail on the coffin of an already messed up healthcare system. In the eyes of the law this merger may be seen as a horizontal integration. Having dealt with the ledger side of our business and seen what my husband and technicians deal with just trying to make things work, not only for us but for our patients, this merger is not horizontal. Insurance companies such as Aetna and Pharmacy Benefit Manager Companies like CVS Caremark have been deep into each other's pockets for decades. From my small business perspective the real reason to put a stop to this merger is due to the principle of Oligopoly.

I fully realize that you are Yale and Harvard educated and trained so the rest of this letter may read a bit more sophomoric. Sophomoric as it may be, I believe my reasons to be solid, and they stem from economic principles that and I learned in high school, and my lower level political science class in collage.

As a Capitalistic society my understanding is that our nation chose this economic system over Monopoly and Oligopoly. The United States did not want to run as a Monopoly system because any good or service can be priced at whatever price the system desires whether the service or good is worth that price or not. Our nation also chose not to accept Oligopoly as a defining economic system for basically the same reason. A few stakeholders holding all of the cards over the many have shown over time to lead to less opportunity and the prices for goods and services are high. While being a Capitalist society is far from perfect. There will be rich, there will be poor but either one has the opportunity for success or for failure. What I do know having been around Agriculture, Healthcare and Retail my whole entire life is that competition in the marketplace is a good thing. Good for consumers

and good for workers who succeed at it. I have seen many changes both good and bad come down the pike and the changes in all three of these economic sectors do not bode well for the consumer as a whole if our society continues to go down this path of switching from being a capitalistic economic engine to one of oligopoly.

I will focus on health care and oligopoly. In high school I learned that oligopoly is beneficial when every man, woman and child reaps the benefits equally. Case in point, Utility Companies. Everyone pays the same rate. It doesn't matter who you are, you will pay the same rate. You as the consumer can choose to lower your bill by turning down the heat, turn it off completely or find an alternate source of heat by installing solar panels. Either way the rate stays the same for everyone. Boards are elected to ensure that the utility is doing what they were intended to do by providing heat, water, sewer or electricity to everyone at a reasonable rate. Oligopoly only works when every single person benefits and there are strict rules and regulations to ensure that everyone benefits the same. Oligopolies left unfettered love to raise prices and without competition they will raise their prices however high they wish to raise them.

Healthcare has been moving towards being Oligopic in nature for the last 30 years. From managed care in the mid 1980's to where we are today. The healthcare system is looking more like an Oligopoly than a competitive healthcare system. Prices in healthcare have done nothing but rise and in the last 5 years they have risen dramatically. Why? Our system has been unwilling to challenge these companies that keep buying each other out and they are getting larger and larger. Many are seen as horizontal healthcare buys when they are more vertical in nature. There are no rules or regulations that these behemoth companies have to live by. They gobble each other up and raise prices on medical insurance, drugs, or broken arms. Here is the crux of this situation. One man's ingrown toenail is another man's diabetes. What each of those conditions cost is not the same. The ingrown toenail is acute and the diabetic is chronic which is different from the individual purchasing a preventative health care plan. No one procedure is the same and they certainly do not cost the same rate. The mix does not work because not everyone benefits the same.

Jim was hopeful when Medicare Part D came out that it would truly keep our doors open. It brought patients back to us that had gone down the 30 mile road for what they considered was better pricing. I on the other hand,

was not that excited about MED D because the short term gain was not going to be worth the loss that would come in the long term. Within 3 years of that plan rolling out the 20 plus insurance companies and pharmacy benefit managers started buying each other out to what we see in the industry today, Oligopoly. If you looked at every state in the nation the majority of them have 2 maybe 3 Major Medical Insurance Companies, one of which will be their state Medicaid system. Those 3 companies will hold close to 80% of their states major medical insurance business. When you add the prescription drug benefit into each of those state systems, 3 Pharmacy Benefit Managers control 80% of the whole nations drug business and each of them are Fortune 100 Companies. Fortune 100!! Those 3 Pharmacy Benefit Managers are CVS Caremark, the largest, Express Scripts and Optum Rx. Oligopoly by definition is 2 to 3 entities running a whole system. Surely there has to be someone else out there besides a 56 year old women living in a small rural town out on the Great Plains that sees how Oligopic in nature this is!! We have seen nothing but prices rise especially for health insurance, increased deductibles and the standard of care has decreased across the whole spectrum of health care. Each State is in the clutches of this horrid Oligopic healthcare system that is unregulated and allowed to charge whatever it wants. If every man, woman, child, young, old, rich or poor all had a broken arm then this system might make sense. In my rural community of 1,100 people there is currently not one single person with a broken arm and yet 1 to 5 percent of my population will seek some form of healthcare in a day and the price of that care will vary from case to case because some are acute, some are chronic and some are preventative.

What has this warped system done to my rural community's healthcare system? We can no longer afford to look for an actual Medical Doctor for our hospital or clinic. Our Physician Assistants generally work alone without the benefit of an experienced MD working along side them. Nursing staff is in short supply, we struggle to find a balance between staff with experience and no experience where both are willing to work for nothing. Professionals like my husband who are actually vested, meaning they own their business, are the most consistent health care providers in their county. I can tell you that at the age of 59 that our goal of Jim not becoming the last pharmacist in Rawlins County, Kansas may not be realistic any more. Demand for these professionals will continue to increase and yet many are leaving the healthcare profession in droves. The current price for which a student pays to be trained in any of these professions does not match what they can get paid. Hard earned money that consumers pay to health insurers goes directly

to them, which in turn is handed over to the likes of a Pharmacy Benefit Manager, which does not translate to the front line getting paid for their services or the consumer receiving a cost effective treatment.

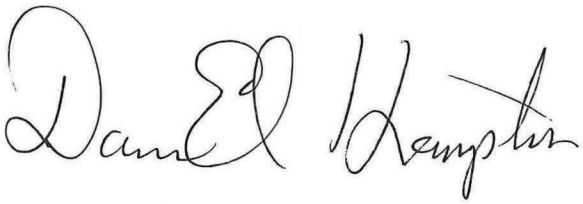
Companies like these Pharmacy Benefit Managers are literally laughing all the way to the bank knowing fully well that they have snookered every politician and insurance company into believing that they are in fact the good guys while the foot soldiers of the system are left blowing in the wind without even a safety net.

I get that in writing to you that I represent only 2 percent of this nation's population, which happens to be the rural agricultural community. Two percent of anything is nominal and shouldn't even be considered in a discussion such as this one. My people really shouldn't matter in this huge acquisition between CVS Caremark and Aetna. The sad truth is that my people do matter in this situation because this 2% of the population represents 100% of the raw material that this great nation consumes in food. No doubt you and your family are receiving your 3 squares per day because of my people's stewardship, diligence and hard work to provide a healthy food source for this great nation's people. I would even be willing to bet that on any given day that there are kernels of wheat that were grown and harvested from my county that are in your families daily bread in Washington D.C. Should this critical segment of our population not have adequate access to healthcare? I believe they should and deserve it as much as you and your family deserve it. In fact I believe that your family depends on it without realizing just how dependent you are on my people. Should the merger between Aetna and CVS Caremark go through? No it should not! An Oligopoly healthcare system is unsustainable because not every single person in the nation just has a broken arm.

I don't know you, nor will I ever get to know you but I have debated as whether the Department of Justice is like the young Dutch boy who put his finger in the dyke so the whole town wouldn't flood, or is your Department like Superman who stops the wild train from crashing into the town killing hundreds. Which are you? What I do know is the importance of sleeping at night, hence this letter to you. Chances are you may lose friends over this antitrust decision but then were they ever really your friends if they have no concern over how well you have slept in making this decision. Do I think that halting this merger will save healthcare? No I don't think that it will, but maybe just maybe, your decision will allow us to slow this Oligopic train

down enough to reassess just what it is that we are doing from a healthcare perspective. Who is really winning? Who is really losing? What do the foot soldiers really think out there on the front line? Are they truly being supported by the Generals? I am praying that you will opt to losing a few friends knowing that you and I can both sleep at night because the healthcare that my pharmacist husband provides will keep this sector of Agricultural workers healthy enough to provide the raw materials for the food that your own family and mine will partake in. I understand the pressure you are under and that the monetary stakes are high with this merger and yet the stakes are just as high for my rural community where we seek to continue to serve and to pass on what we do to the next generation. I have to believe that you are the men who are willing to stick your finger in the dyke to save the whole town from flooding. It seems more realistic than Superman. God's blessings to you! Our paths may not cross directly but the hand that gave the prescription to the farmer or rancher that handled the bread and the beef that will soon be touched by your family's hands means that you and I are more connected than we will ever know. Halt this merger between Aetna and CVS Caremark!

Sincerely:



Dawn El Hampton

p.s. Enclosed you will find an expose that I wrote to the KU School of Business on PBM's and their unethical business practices. KU's School of Business Red Tire Program is helping us to market the sale of our Pharmacy. This read is only to help you understand what the healthcare care front line is truly dealing with on a daily basis.

January 1, 2006 Medicare part D was enacted. This Federal program was to try to decrease the amount of out of pocket money that seniors over 62 would pay for their prescriptions. The first 3 years were AWESOME! There was competition for the senior's insurance plans. Seniors paid less out of their pockets and pharmacies got paid reasonable fees for the services that they provided. A win-win for the little guys! Yea! With the economic downturn starting in 2008 and Obamacare, Insurance companies and Pharmacy Benefit Managers (PBM's) i.e. Express Scripts, Caremark and Optum Rx all began to gobble each other up. The smaller guys could not stay in the pharmacy game. PBM's bought brick and mortar pharmacies and created more mail order pharmacies or bought existing mail order pharmacies. This has turned our pharmacy care system into an oligopoly. To make matters worse Congress has left the PBM's go unchecked on a program that they created and supposedly oversee. Everyone in the drug delivery pipeline is fully regulated at either the federal level or at the state level. Drug Manufacturers, Wholesalers, Insurance and Pharmacies are all regulated beyond Federal Payroll taxes. The only ones that do not have any regulation at all are the PBM's. This un-regulation of Medicare Part D has allowed these organizations to find loopholes in the system. I think Congress went to the insurers and told them that they were sick and tired of listening to seniors crab about increased MED D premiums. Insurance said we can't cut company expenses to lower premiums to MED D seniors. We'll go to our middleman the PBM and see what expenses they can cut. We, the PBM's can't cut any corporate expenses it would mean that we would have to buy a canoe instead of a yacht as planned. Low and behold the advent of the DIR fee which stands for Direct and Indirect Renumeration came into being in May of 2015. Direct meaning, coming directly back to us, the PBM, and indirectly we will throw some money at our insurers to make it look like we're saving senior's money on their MED D premium. The problem is that no one knows what percentage of the money is direct and what percentage is indirect. That and Senior MED D Premiums have never been cut since the inception of MED D in 2006. So How does scheme this work? Pharmacies are put on a star rating metric system from 0 to 5. All pharmacies serving MED D patients have to make all of their patients on diabetic medications and statins for heart conditions compliant by making them take their medications consistently. If the pharmacy is not compliant then we will take money back from them 6 months after we have paid them. So a patient can pick up their prescription that retailed at $100.00 March 15 of 2015, pay their $30 co-pay and the pharmacy screen shows that the pharmacy will get paid $70.00 by the PBM because the patient paid their Medicare Part D insurance premium. Two weeks later the pharmacy gets the $70.00. Six months later the pharmacy gets a DIR fee from that PMB for that same prescription in March for $5.00. The fee they charge varies from a couple of cents to hundreds of dollars per MED D prescription. Multiply the fees by the number of MED D scripts and every week a small rural pharmacy like ours was losing $1000.00 to $1500.00 per week. The PBM industry said we will take this one on because we have no oversite and our last customer is the pharmacy itself, the patient is the insurers worry. We will just keep the money we owe the pharmacy as a claw back because we just direct deposit 98% of the checks that we send out to them. They will

never notice it, because they do not have time to look at their remittances on-line, they just look at the check amount and that becomes their Rx sale. The pharmacy is not going to know what hit them and it will take months for them to figure it out. While that occurs we will continue to gobble up insurance companies, .i.e. Atena and other brick and mortar pharmacies. It will put a strangle hold on the independents which will allow us to buy their pharmacy files and they will be glad to get it. So far 14 independent pharmacies have closed in Kansas, just in 2018, and by the way the buyer of all the prescription files was none other than CVS/Caremark. This corporation owns insurance companies, CVS retail pharmacies and mail order pharmacies. Congress will be unable to fix what they started because many of them do not understand that they are in charge of MED D and that it is ultimately their lack of over site that has put the whole drug delivery system on this perilous road. Congress doesn't even know that PBM's exist anyway? Never mind that PBM's can buy every congressman off in every state to keep them in Congress because the 4 top PBM'S are processing 90% of all prescriptions in each state in this nation and are in the top 25 companies in the S&P. Investors love these companies, they don't understand how they are making money hand over fist, they just know that they are making boat loads of cash and there just does not seem to be an end to it. PMB's are literally laughing all the way to the bank because they have cornered drug manufacturers by taking rebates from them that are supposed to get to the customer level but never do. They have the insurance companies cornered because of spread pricing. That $100.00 drug that the pharmacy charged the PBM they told the insurer that the price was $150.00 and they keep the $50.00 and they have pharmacies throughout the country under gag orders which prohibit a pharmacy from telling patients what their prescription would cost if they just paid cash only and did not use their MED D prescription insurance. Patients end up in the donut hole sooner where they then assume the full price of the drug which is determined by the PBM. This was all done without any retail pharmacy input and no one in the retail sector or in the wholesale sector had any idea what was happening or why it was even happening to any pharmacy including big box and grocery store pharmacies like Kroger. Only CVS pharmacies are not affected because their claw backs go back to Caremark who owns them. In 2015 there were 25,000 Independent pharmacies nationwide by the beginning of 2018 our nation is down to 22,000.00 because of these unethical practices. What did Currier Drug do about this during this time? By 2016 our pharmacy made the decision to do our own contracts with PMB's in hopes that we could get a better rate due to how rural we are. That pretty much took all of 2016 to accomplish this and get everything switched over. Jim thinks that this has helped because we can cherry pick what we will take and what we will not take because when we used our wholesalers program we were stuck with having to take everything our wholesaler signed up for. By the beginning of 2017 it was clear that things would not get much better so there was more that we had to do to stay in the game. We reduced one of the company's fees by charging one penny under usual and customary. That will save us $10,000.00 per year. That tactic has only worked on that company. Otherwise we have reduced expenditures in supplies, closed at 1 PM instead of 4 PM on Saturdays. We came up with a

better 340B contract which seems to be working better and putting us and our hospital in a better financial position. Our employees are always looking for ways to cut costs. Accounting has splint out the Commissions and Fees Account so that DIR Fees, Transmission Fees, and Bad Math Fees can be better tracked so decisions on how to best manage these fees can be ascertained. We have been told that these fees will never go away and that no matter what we do, we will have them. Frankly, KU Business could do a whole business ethics course just on PBM's business practices alone.