

Dec. 11 2018

Dear Mr Mucchetti,

I am writing you this letter as an owner of an independent drugstore in Tennessee. I urge you to stop the merger of CVS/Caremark and Aetna Healthcare. Do all you can to shed light on the tactics that both companies do in the market place to consumers, independent pharmacies, and taxpayers in our nation.

Apple Discount Drugs has been in business since 1987. We have served the Clinton and the surrounding Anderson County of Tennessee for more than 30 years. We have seen a lot of changes in the prescription healthcare market that has not been favorable to the independent pharmacy market. Consolidation of the PBM market, with over 80% of the market controlled by three large PBMs has been hard to overcome. As the PBMs continually manipulate the pharmacy market in their favor at the expense of consumers, access of care, to the American taxpayer care has suffered in the local retail pharmacy market.

I could write you of several occasions in the past few years that have cost our customers and our store thousands of dollars of prescription dollars to obtain medications for Insurance companies and PBMs. Examples of patients paying high price at independent pharmacy, only for that same pharmacy to get short changed on the reimbursement. We have seen increased negative reimbursement (below prescription cost), higher copayments, claw backs, and increase DIR fees. We have also seen pressure in the market place from large PBMs trying muscle out the independent pharmacy by market manipulation to increase co-payment, increased prices of co-insurance prescriptions for our customers verse what they pay at other area providers (chain drugstores) with nothing but the reimbursement the difference. Claw-backs from Aetna that are charged to our pharmacy that would be included in the final price prescription that increase the consumer's cost at the point of sale.

I have currently gathered, from Medicare.gov, examples where both CVS/ Caremark and Aetna, at area chain drugs store reimbursed several times more than the reimbursement for a prescription medication at my pharmacy. The only difference is that the co-payment is lower for the patient. I would love to charge the same copayment to my customers, as the chain drugstore, but unfortunately, the patient must pay all the cost of the prescription at my pharmacy. I would rather either have the same reimbursement or have the chain drugstore get the same reimbursement that I do from the PBM. CVS/ Caremark and Aetna both play these games in my area. I will not get into the games PBMs play with their mail-order pharmacies that get more reimbursement of the same prescription than I do from the same PBM.

If CVS and Aetna are allowed to continue with this merger many more independent pharmacies will shut their doors. We need more competition in the PBM market to stop these types of pressures on the prescription market place that only advantages them. If this merger continues the only one that will benefit is the PBM and the insurance company by forcing lower reimbursement, higher copayments, and more manipulation of the pricing market for prescription drugs in this country.

I would like for you to consider three proposals.

1. Mandate the states that allow Aetna or CVS/ Caremark , like the state of Georgia recently did, to have protection their independent pharmacies from these actions I addressed in the letter in the market from this merger.
2. Force CVS/ Aetna to show transparency in network reimbursement form chain and independent pharmacies in their new commercial and Medicare Part D programs that all prescriptions to be reimbursed at the same rate with the same copayment at all providers.
3. Make CVS/Aetna subject to audits by the state Insurance and Commerce Agencies in each state to insure fair practices if you feel the merger should go through.

It is time to halt the mergers of these large companies to allow the market and the participants to look into these overcharge of PBM to state, clients, and self insured companies. With reports from the states like Virginia, Ohio, and Arkansas on the CVS/Caremark under charge some pharmacy providers and overpaying others. This merger only serves to increase profits on the Aetna and CVS/ Caremark at consumers and tax-payer expense. We need to look harder at this merger with Aetna and CVS/Caremark and make sure the pharmacy market is protected from the tactics we have already seen from these to larger companies.

Thank you for your time and effort on this matter. Please feel free to contact me for specific examples that were mentioned in this letter.

A handwritten signature in black ink, reading "Jim Axmacher Pharm. D.", with a large circular flourish at the beginning.

Jim Axmacher, Pharm. D.,
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