



PHARMACISTS UNITED FOR
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PHARMACISTS UNITED FOR TRUTH & TRANSPARENCY WARNS FLORIDA OF THE DANGERS & PITFALLS OF DRUG IMPORTATION

“Foreign drug importation, while it may provide some superficial cost savings, will not provide the choice or value patients need .. and will not fix the problem of high drug prices.”

TALLAHASSEE, FL (April 19, 2019) - The non-profit advocacy group, Pharmacists United for Truth & Transparency (PUTT), has issued a formal warning for legislators and consumers against the legalization of prescription drug importation, which is currently being considered in Florida and other states in response to the high prescription drug price crisis.

PUTT noted that “As pharmacists, our first concern is for patient safety. But we also know (a little too well) how drug prices force some patients into rationing medicine or not filling a prescription, and that legislators are responding to constituents’ concerns for drug cost. Still, foreign drug importation, while it may provide some superficial cost savings, will not provide the kind of choice or value patients need.”

PUTT recently reviewed the public records for the CanaRx Program in Flagler County, FL and determined that even in a foreign drug importation program there are loopholes and opportunities for middlemen to profit. “There’s a reason why the PBM industry fights so hard to maintain opacity, why they resist the elimination of rebates and the inclusion of the true drug experts to help plan sponsors and patients save money with prescriptions in America. This is why PUTT stands for transparency in the prescription drug supply chain.”

Some of the major points that PUTT noted in Flagler County’s CanaRx program:

Transparency works.

Under Florida’s “sunshine laws” we can see the 2018 quarterly cost reports for prescriptions available under CanaRx. On the report, the green highlighted items are prescriptions ALREADY available as generic in the U.S.

True costs are never disclosed, even in a drug importation program.

Flagler County’s plan incentivizes beneficiaries to use CanaRx by offering no copay on prescriptions through that plan. It sounds like a good deal, but what most plan sponsors don’t realize is the true cost of the drug - at least as it was paid to the pharmacy -- is never disclosed in the interest of keeping a

“proprietary information” secret. This makes even a Canadian drug importation plan payer subject to spread pricing, and spread pricing drives up drug costs. Plan sponsors do not get access to their true claims data, at least not without threat of legal action, and even legal action is no guarantee if the State of Ohio’s case is any indication. For plan sponsors - even under CanaRx - It would be like paying your credit card each month without an itemized bill but under assurance from the credit card company you were getting “discounts” on your purchases.

Canadian prescription imports as the solution to high drug prices is a fallacy.

The assumption of lots of drugs available for cheap prices from Canada, just isn’t so. On the Flagler County prescription list, putting aside the green-highlighted U.S.-available generics, the remaining prescriptions narrow to less than 100 drugs in various dosing forms, strengths and combinations. Of this remaining list, there are some that have OTC substitutes or something VERY similar and already available in the U.S. as a generic for that class.

Imported drugs are still subject to PBM rebates:

Remarkably, the vast majority of the remaining prescriptions are the ones the PBM middlemen extract the most amount in rebates for inclusion - or as we learned in last week’s Congressional hearings - **exclusive** placement on plan formularies. So even the CanaRx list is subject to PBM rebates in the U.S. These drugs include inhalers, newer blood thinners and type 2 diabetes drugs. This rebate scheme can account for 50% or more of the medication’s cost. Where is the true savings if that game were eliminated as being discussed by the Federal government now?

Benefits brokers contribute to high costs.

Benefits brokers help steer health plan sponsors to the PBM who can best meet the plan payer’s needs. The CanaRx program was set up with the help of a broker. What most people don’t realize is that brokers aren’t just paid a fee for this service, many receive a commission on every prescription sold through the plan every month. PUTT has heard reports of commissions ranging from \$10 to \$20 or more per prescription per month, and brokers making in excess of 6-figures some of which comes from the pass-through income on these prescriptions, which is more than likely not disclosed to the plan sponsor.

Pharmacists are in the BEST position to work with plan sponsors

Pharmacists work with all types of medications on a daily basis and can speak to the cost- and outcomes-efficacy of the benefits plan. Pharmacists, unlike PBMs and brokers, do not have a financial stake in the benefits plan design because pharmacies do not set the price patients and plan sponsors pay. PBMs know this, and go to extreme lengths to prevent pharmacists from talking to end payers, including threat of legal action or removal from the PBM pharmacy network.

PUTT’s recommendation to the problem of high prescription drug prices? “Transparency and the removal of the “safe harbor” exemption of kickbacks - not foreign drug importation - is what will make prescription drugs affordable again for Americans.”