



Atwood Pharmacy

1302 Atwood Ave Unit#2, Johnston RI, 02919

Thank you Chair Miller, Vice Chair Valverde and members of the Committee. My name is Zahan Akbar, owner of Atwood and Park Square Pharmacy in Rhode Island. I have several friends and family members with independent pharmacies in CT / MA / NY/ MD and I can assure you these are issues being faced across multiple states.

Bill 1: H7720 An Act Relating to Insurance - Pharmacy Freedom of Choice - Fair Competition and Practices is set for a hearing.

Sponsored by: Representatives Kislak, Stewart, Speakman, Ajello, McGaw, Potter, Cruz, Morales, Tanzi, and Felix

I completely agree with allowing all pharmacies to receive fair margins on brands. PBMs purposely set poor contracts that set small independent pharmacies to fail or hope they reject patients with brand meds. PBMs should NOT be allowed to reimburse less than the cost of medication, unless they can otherwise prove where to obtain the price they are reimbursing. Additionally, it has been clearly reported with studies conducted in other states, i.e., NY - MCOs are for profit, and PBMs reimburse their own pharmacies a LOT more. This is why states are eliminating MCOs all together and transitioning back to straight Medicaid. As did NY last year, and CT also has the same structure.

Bill 2: HB 8143 titled An Act Relating to Businesses and Profession - Pharmacies.

Sponsored by: Representatives Kislak, Cotter, Fogarty, Potter, Cruz, Boylan, and McGaw

PBMs overall have been granted a lot of power, they utilize this to their advantage with little to no transparency in profits and price discrimination between their own Retail Pharmacy / mail-order pharmacies versus independently owned pharmacies. My pharmacies are perfect exemplary for this bill, Atwood Pharmacy had 2 caremark audits back-to-back. After we responded to Audit 1, we received Audit 2 about 1 month later, from a different caremark auditor. Audit 2 was handed to us at the same time as my other pharmacy, Park Square Pharmacy. These were very thorough, time consuming audits which needed immediate attention. It was inappropriate for caremark to hand down an audit with such a short time gap, handling the bench takes most of our day and unfortunately while it was time consuming and stressful, I know PBMs are looking for any small errors to recoup the full amount paid to pharmacies. They target high cost brands with these audits and while we already have slim margins, even one chargeback is detrimental to the pharmacy. In my case, I am still arguing



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audit 1, they wanted additional documentation for one Rx, and refused to accept documents I provided. This is ongoing, I referenced their provider manual, however, the auditor refused to give reasoning as to why the document was not accepted. This is one example of what most pharmacies face, in most cases, pharmacies are so busy with day to day tasks, PBMs hope they just give up and accept chargeback.