



Office of the Secretary

UNITED STATES OF AMERICA  
FEDERAL TRADE COMMISSION  
WASHINGTON, D.C. 20580

April 22, 2010

The Honorable Judy Chu  
United States House of Representatives  
Washington, D.C. 20515

Dear Representative Chu:

Thank you for your letter to the Federal Trade Commission concerning the Commission investigation of certain CVS Caremark Corporation conduct.<sup>1</sup> In your letter, you state that the Commission investigation of these practices is needed to protect consumers and to promote competition in the pharmacy and pharmacy benefit management sectors, and express the concern that CVS Caremark is engaging in a number of practices that prevent smaller neighborhood pharmacies from competing for customers.

Your correspondence has been forwarded to appropriate members of the Commission staff in our Bureau of Competition and Bureau of Consumer Protection for review, and I can assure you that the information you have provided, and the concerns you have expressed, are receiving careful consideration. The protection of American consumers from potentially anticompetitive, unfair or deceptive practices in the health care sector has long been one of the Commission's most important responsibilities. The Commission remains dedicated to protecting consumers and steadfastly continues its efforts to identify, prevent, and prosecute any unlawful practices in health care and other markets.<sup>2</sup> In determining whether to take enforcement or other action in any particular situation, the Commission may consider a number of factors, including the type of violation alleged; the nature and amount of consumer injury at issue and the number of consumers affected; and the likelihood of preventing future unlawful conduct and securing

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<sup>1</sup> I am able to confirm publicly that the Commission is conducting an investigation of CVS Caremark because CVS Caremark "has publicly disclosed . . . that it is the subject" of a Commission investigation. *See Federal Trade Commission Policy Concerning Disclosures of Nonmerger Competition and Consumer Protection Investigations: Notice of Revised Policy*, 63 Fed. Reg. 63477 (Nov. 13, 1998); *see also Federal Trade Commission Notice of Policy of Disclosing Investigations of Announced Mergers: Notice of Revised Policy*, 62 Fed. Reg. 18630 (Apr. 16, 1997).

<sup>2</sup> The Commission has placed an overview of its antitrust law enforcement program with respect to health care services and products at <http://www.ftc.gov/bc/0809hcupdate.pdf>.

redress or other relief. I should note, in that regard, that a number of statutes and the rules of the Commission prevent me from disclosing the contours of Commission investigations such as the investigation of CVS Caremark.

We appreciate your interest in this matter, and hope that the foregoing information is of assistance. I should emphasize that protecting consumers from unlawful acts and practices in the nation's health care markets is critically important, and your ongoing vigilance is greatly appreciated. Please also let us know whenever we can be of service with respect to any other matter.

Sincerely,

A handwritten signature in cursive script that reads "Donald S. Clark". The signature is written in black ink and is positioned above the printed name and title.

Donald S. Clark  
Secretary of the Commission