July 28, 2009

The Honorable Jon Leibowitz  
Chairman  
Federal Trade Commission  
600 Pennsylvania Avenue N.W.  
Washington, DC 20580

Dear Chairman Liebowitz:

We are writing to ask that the Federal Trade Commission (FTC) reexamine the 2007 merger of Caremark and CVS. We believe this merger created a heightened opportunity for anticompetitive conduct in the prescription drug market.

Pharmacy Benefit Managers (PBMs) are involved in the reimbursement of most prescription drug claims. In fact, the four largest PBMs cover about 240 million Americans, or an estimated 80 percent of prescription drug consumers in the United States. This consolidation allows four large companies an extraordinary amount of influence.

We have heard from a number of our constituents that the merger of Caremark and CVS puts other retail pharmacies at a competitive disadvantage. Independent and community pharmacists have expressed concern about practices the company has used to drive business from their pharmacies to CVS. In some cases, patients who do not elect to fill prescriptions through Caremark’s mail order business are charged higher copays. In other cases, beneficiaries are limited in the number of prescriptions they may fill at their local community pharmacy.

We are concerned about the impact this merger will have on Main Street pharmacies, which play a vital role beyond dispensing medication. Customers depend on advice from pharmacists, much like they depend on advice from their doctors, especially in rural and medically underserved areas. Pharmacies in rural America are already struggling to keep their doors open, and we are concerned that the end result of this merger will be more Main Street pharmacies going out of business.

As we look to reform our health care system, lowering prescription drug costs for consumers is essential to control the increasing cost of health care. We are concerned that the consolidation of CVS and Caremark is detrimental to this goal. We urge you to continue to evaluate this merger and consider taking action to ensure consumers are protected. Thank you for your attention to this matter.

Sincerely,

[Signatures]

Byron L. Dorgan  
U.S. Senator  

Russell D. Feingold  
U.S. Senator  

Amy Klobuchar  
U.S. Senator