

False Savings of Mail Order Pharmacies

There have been **no peer reviewed studies** demonstrating the so-called “savings” provided by mail order pharmacies.¹ Instead, evidence exists that prescription drugs purchased through mail order pharmacies are more expensive than at community pharmacies.²

Artificial Savings from Mail Order Pharmacies

Simply comparing prescription drug prices between mail order and community pharmacies fails to take into account the additional costs associated with mail order pharmacies:

-Mandatory mail order drug plans create **3.3 times more waste** than prescription drug plans that allow patients the freedom to purchase their prescription drugs at a community pharmacy.³ This high rate of waste implies that patients using mail order pharmacies are purchasing in bulk more than what they intend to consume, creating the increased potential risk of overuse and abuse in the future due to the stockpiling of old prescription drugs.

-Prescription drugs are only of value to patients when taken. Patient compliance with prescription drugs diminishes when patients use a mail order pharmacy due to less access to face-to-face consultations with a pharmacist.

- A recent survey conducted by NCPA for patients enrolled in the Fight4Rx network had found that a large number of patients had problems receiving their medications via mail on time, often having to rely on their local community pharmacist to make an emergency fill. Adherence cannot occur unless the patient has the actual drug.

-Patients can save money by purchasing generic equivalents in place of the brand name drugs they are currently consuming. Pharmacists have a proven record of promoting generic drugs, as generic utilization rates are higher through community pharmacies than through PBM owned mail order pharmacies.⁴

-Pharmacy benefit managers (PBMs) gain “rebates” from pharmaceutical manufacturers when they choose to favor their brand name drugs. There have been numerous lawsuits against these PBM’s for illegally switching patients onto more expensive brand name drugs through their mail order pharmacies, so that these PBMs can maximize their rebates.⁵

-Pharmacists are trained to help patients by promoting the optimal use of prescription drugs, and to work with physicians and patients to adjust medication regimens to prevent adverse drug events. Savings through such pharmacist led interventions **provide savings of \$34 per intervention when performed in a retail pharmacy setting**, compared to an average saving of **only \$1 per intervention through educational mailings**.⁶ These results are not surprising, as one survey has demonstrated that half of respondents believe that patients taking multiple medications will be more likely to make mistakes when they receive their prescriptions through a mail order pharmacy.⁷

¹ Johnsrud, Michael. “Will a Mandatory Mail Order Pharmacy Benefit Save Payers Money? Investigating the Evidence”, Center for Pharmacoeconomic Studies at The University of Texas at Austin, January 2006.

² Robert Garis, Aladdin Mohammed. “Mail-order prescription pricing: A critical examination.” Creighton University Medical Center.

³ Daniel Halberg, Erin Smith, and Kevin Sedlacek. “Effect of Mail-Order Pharmacy Incentives on Prescription Plan Costs”, University of Arkansas for Medical Sciences College of Pharmacy, October 2000.

⁴ James Langenfeld and Robert Maness, “The Cost of PBM “Self-Dealing” Under a Medicare Prescription Drug Benefit”, September 2003.

⁵ Balto, David. “Ongoing Federal and State Litigation Regarding Pharmacy Benefit Managers.” February 2008, <http://www.ncpanet.org/pdf/leg/pbmlitigationfeb08.pdf>

⁶ Based upon an internal analysis by Mirixa in 2008 of claims data for 74 thousand patients.

⁷ “Attitudes About Mandatory Mail Order Pharmacy.” NACDS Foundation Public Opinion Research. Wirthlin Worldwide, 2003.

False Savings of Mail Order Pharmacies

Patients Prefer Community Pharmacy

-Overwhelmingly, when given a choice **83% of customers prefer to fill their prescription at a community pharmacy** rather than a mail order pharmacy, and **72% of customers oppose mandatory mail order plans.**⁷

-In instances where PBM owned mail order pharmacies and community pharmacies have been allowed to compete on an even playing field patients overwhelmingly have chosen their community pharmacist.⁸

It is no surprise that even CVS Caremark, which dispenses over 60 million prescriptions annually via mail, has claimed that “the vast majority of patients prefer to get their information through **face-to-face interaction** at the pharmacy.”⁹

Community Pharmacists Provide Value to Patients and Plan Sponsors

Pharmacists are one of the most trusted professions in our nation,¹⁰ and for good reason. It has been demonstrated that the optimal utilization of prescription drugs is “contributing to the lower usage of more costly hospitalizations and physician services,” helping to reduce total medical costs for plan sponsors and patients.¹¹ According to one study, the improper use of medications, suboptimal prescribing, drug administration, diagnosis and other drug related errors costs our country \$290 billion a year,¹² while pharmacists have demonstrated their ability under simulation testing to catch and prevent such medical errors¹³, saving patients from higher medical expenses in the long term.

Most independent community pharmacies provide medication therapy management (MTM) programs to promote more comprehensive patient-centered care.

-MTM programs implemented in Asheville, North Carolina were able to not only improve the health of patients, but save money to employers by reducing the number of sick days needed by employees, and were effective in lowering overall health care costs paid by plan sponsors and patients.^{14, 15, 16}

-A recent study has demonstrated a **12 to 1** savings to cost ratio for pharmacist led MTM programs.¹⁷

-One national study that analyzed 7 years of claims data found that patients saved an average of **\$84.34** per pharmacist led MTM intervention.¹⁸

The potential for savings generated through MTM programs are greatly diminished when patients are forced to rely on a mail order pharmacy for such services. Community and mail order pharmacies must compete on an even playing field to allow patients the freedom to choose the delivery channel that they deem best.

⁸ Two examples are highlighted in the following study: Norman Carroll, Illia Brusilovsky, Bryan York, and Robert Oscar. “Comparison of Costs of Community and Mail Service Pharmacy.” *J Am Pharm Assoc*, June 2005, Issue 45, Number 3.

⁹ CVS/Caremark. Health Outcomes: CVS Caremark Corporation 2008 Annual Report.

¹⁰ “Pharmacists Rank High In Honesty and Ethics; Annual USA TODAY/Gallup Poll Puts Pharmacists Near the Top”, U.S. Newswire, December 13, 2006.

¹¹ Mark Farrah Associates. “Understanding Prescription Drug Expenditures.” May 06, 2008.

¹² New England Healthcare Institute. “Thinking Outside the Pillbox: A System-wide Approach to Improving Patient Medication Adherence for Chronic Disease.” *A NEHI Research Brief*,

¹³ Brian J. Kopp, Melinda Mrsan, Brian L. Erstad, and Jeremiah J. DUBY. “Cost implications of and potential adverse events prevented by interventions of a critical care pharmacist”. *American Society of Health-System Pharmacists*, Vol. 64, December 2007.

¹⁴ BA Bunting, CW Cranor. “The Asheville Project: Long-Term Clinical, Humanistic, and Economic Outcomes of a Community-Based Medication Therapy Management Program for Asthma”. *Journal of the American Pharmacists Association*, Vol. 46, No. 2, March/April 2006.

¹⁵ BA Bunting, BH Smith, SE Sutherland. “The Asheville Project: clinical and economic outcomes of a community-based long-term medication therapy management program for hypertension and dyslipidemia.” *Journal of the American Pharmacists Association*, Vol. 48, No. 1, January/February 2008.

¹⁶ Cranor CW, Bunting BA, and Christensen DB. “The Asheville Project: Long-Term Clinical and Economic Outcomes of a Community Pharmacy Diabetes Care Program.” *Journal of the American Pharmaceutical Association*, March/April 2003, Vol. 43, No. 2.

¹⁷ Isetts BJ; Schondelmeyer SW; Artz MB; Lenarz LA; Heaton AH; Wadd WB; Brown LM; Cipolle RJ. “Clinical and economic outcomes of medication therapy management services: The Minnesota experience.” *Journal Of The American Pharmacists Association*: 2008 Mar-Apr; Vol. 48 (2).

¹⁸ Barnett MJ, Frank J, Wehring H, Brand Newland, Shannon VonMuenster, Patty Kumbera, Tom Halterman, Paul J Perry. “Analysis of Pharmacist-Provided Medication Therapy Management (MTM) Services in Community Pharmacies Over 7 Years.” *J Manag care Pharm.* 2009; 15(1) 18-31.