

Auditor McGuinness: Survey Shows Predatory PBM Practices Destroying Independent Pharmacies

DOVER, Del. – A survey of Delaware’s independent community pharmacists on the impact of pharmacy benefit managers (PBMs) reveals predatory practices are potentially devastating these small businesses, State Auditor Kathy McGuinness said today as she released a new special report.

“Your community pharmacists – who are your first line of defense when you are sick or hurting and need to talk – are struggling to keep their doors open,” said McGuinness, who is a licensed immunizing pharmacist and former small-business owner. “Our survey results show that these prescription drug middlemen, known as PBMs, are strangling these critically important community businesses.”

McGuinness’ office surveyed independent community pharmacy owners across Delaware in June regarding how practices by PBMs are affecting their businesses.

“The results were astounding,” McGuinness said. “The big three PBMs – CVS, Express Scripts Inc. and OptumRx, which control approximately 80 percent of the PBM market share – are using tactics that eat away at the thin profits these small-business owners fight to earn.

“What’s even worse is that the PBMs are trying to place Delawareans’ healthcare in the hands of big-box retail establishments.”

Among the survey results:

- PBMs' use of one specific kind of fee that is imposed on pharmacies after a prescription sale has exponentially increased over the last few years. Known as DIR fees, these reduce or eliminate a pharmacy's profit on a prescription transaction, and they are financially ravaging independent pharmacies.
- Delaware's independent pharmacists report being squeezed by PBMs through lower reimbursements, exclusionary formularies and preferred pharmacies. By restricting increasing numbers of patients to mail-order-only pharmacies, PBMs are limiting access to medications.
- Delaware's independent pharmacies suffer from similar problems noted in the 2019 National Community Pharmacists Association (NCPA) survey, which observed that greater oversight is needed "over the PBM corporations that contract with the state to manage prescription drug benefits for its Medicaid program and state employees."

Read the new special report, "Predatory Practices: Survey Says Middlemen Destroying Delaware's Independent Pharmacies," on our website [here](#).

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