



Mississippi
Pharmacists
Association



APhA

American Pharmacists Association

For Every Pharmacist. For All of Pharmacy.

November 20, 2024

[submitted electronically via: smccoy@mbp.ms.gov]

Susan McCoy
Executive Director
Mississippi Board of Pharmacy
6311 Ridgewood Road
Suite E 401
Jackson, MS 39211

Dear Ms. McCoy:

The Mississippi Pharmacists Association (MPhA) and American Pharmacists Association (APhA) write to express our concern with the results of the October 14, 2024, Audit of Optum for 2022 Claims¹ and to request immediate action by the Mississippi Board of Pharmacy to prohibit egregious pharmacy benefit manager (PBM) practices that are causing pharmacies across Mississippi to close.

As a result of the predatory practices of PBMs, patients' access to medications from their local pharmacist across the country has declined², taxpayer dollars have been funneled into corporate profits³, and generationally-owned community pharmacies have been driven out of business⁴. Recently, a study found that PBM tactics forced Oregon Medicaid to overpay \$1.9M on a single drug, where PBMs marked up the drug by 800 percent.⁵ Appropriate oversight is necessary for Mississippi to address the misaligned incentives in the PBM industry that prioritize profits over patients.

The October 14, 2024, audit of 2022 claims for a large vertically merged PBM found "for generic GPI-matched medications, chain drug stores were paid 19% less than affiliate pharmacies, while independent pharmacies were paid **145% less** than affiliate pharmacies during the audit period." Such anticompetitive practices by PBMs are a key factor in the undermining of the pharmacy business model resulting in pharmacies being forced to close their doors across the state. When a community loses their pharmacy, patients not only lose access to their medications, but also lose access to a vital health care professional that many patients, especially in rural and underserved areas, depend on.

¹ Mississippi Board of Pharmacy Completes Audit of Optum for 2022 Claims. Mississippi Board of Pharmacy. Published October 14, 2024. Available at: https://www.mbp.ms.gov/sites/default/files/inline-images/Optum_Release.pdf.

² Rose J, Krishnamoorth R. Why your neighborhood community pharmacy may close. *The Hill*. Available at <https://thehill.com/blogs/congress-blog/healthcare/530477-why-your-neighborhood-community-pharmacy-may-close>

³ Axis Advisors. Analysis of PBM Spread Pricing in New York Medicaid Managed Care. Available at <http://www.ncpa.co/pdf/state-advoc/new-york-report.pdf>

⁴ Callahan C. Mom-and-pop pharmacies struggle to hang on. *Times Union*. Available at <https://www.timesunion.com/hudsonvalley/news/article/Mom-and-pop-pharmacies-struggle-to-hang-on-16187714.php>

⁵ <https://oregonpharmacy.org/2022/10/27/oregon-report/>

Action is needed in Mississippi to prohibit anticompetitive practices by PBMs that preferentially reimburse affiliated pharmacies over non-affiliated pharmacies. MPhA and APhA urge the Mississippi Board of Pharmacy to take immediate action to enforce Miss. Code Ann. § 73-21-156 to prohibit PBMs from reimbursing affiliated pharmacies at a rate higher than what they reimburse non-affiliated pharmacies. Additionally, MPhA and APhA urge the Mississippi Board of Pharmacy promulgate emergency rules to mandate and enforce that PBMs reimburse pharmacies no less than what their acquisition cost for medications and a fair and reasonable professional dispensing fee. Combined, these actions will ensure that pharmacies can operate sustainably to serve their patients without further risk of pharmacy closures.

MPhA and APhA greatly appreciate your attention to the need for urgent action to protect Mississippians' access to pharmacies across the state. If you have any questions or would like to speak further about this request, please contact Mona Arnold-McBride, PharmD, MPhA Executive Director by email at Executivedirector@mspharm.org and E. Michael Murphy, PharmD, MBA, APhA Senior Advisor for State Government Affairs by email at mmurphy@aphanet.org.

Sincerely,

Mona Arnold-McBride, PharmD
Executive Director
Mississippi Pharmacists Association

Michael Baxter, MA
Vice President, Government Affairs
American Pharmacists Association

About MPhA: MPhA supports all Mississippi pharmacists and all areas of pharmacy. We legally advocate for pharmacists by having a lobbyist and a pharmacist active in legislative endeavors. MPhA provides multiple opportunities for continuing education: e.g. providing in-person and virtual events, creating a quarterly journal, Mississippi Pharmacist, and many more. MPhA also is a great way to make connections with other Mississippi pharmacists.

About APhA: APhA is the largest association of pharmacists in the United States advancing the entire pharmacy profession, including 3,050 licensed pharmacists in Mississippi. APhA represents pharmacists in all practice settings, including community pharmacies, hospitals, long-term care facilities, specialty pharmacies, community health centers, physician offices, ambulatory clinics, managed care organizations, hospice settings, and government facilities. Our members strive to improve medication use, advance patient care and enhance public health. APhA represents pharmacists and students who practice in numerous settings and provide care to many of your constituents. As the voice of pharmacy, APhA leads the profession and equips members for their role as the medication expert in team-based, patient-centered care. APhA inspires, innovates, and creates opportunities for members and pharmacists worldwide to optimize medication use and health for all.