

Congress of the United States
Washington, DC 20510

October 26, 2022

Lloyd J. Austin
Secretary of Defense
1000 Defense Pentagon
Washington, DC 20301

Dear Secretary Austin:

We write today with grave concerns about the impact our servicemembers, veterans, children, and many others are facing with the Department of Defense Health Agency's (DHA) decision to proceed with Cigna/Express Script's reduced reimbursement plan.

It has been brought to our attention that Cigna/Express Scripts (ESI) has negotiated new pharmacy contracts in which upwards of 15,000 independent or community pharmacies will leave the TRICARE pharmacy network on October 24, 2022. As you may be aware, this will impact approximately 4% of the TRICARE-eligible population, or nearly 400,000 beneficiaries.

Local, independent pharmacies, which are negatively impacted by Cigna/ESI's decision, are the lifeblood for millions living in suburban and especially rural, underserved areas. In fact, independent community pharmacies represent about 34 percent of all retail pharmacies nationwide. A mass exodus of participating pharmacies in TRICARE will severely disturb access to care for thousands who serve or have served our country honorably. It is our duty to ensure their access to quality healthcare is not hindered.

Further, reverting to mail-order prescriptions will not simply solve the problem. Many of our constituents who rely on these pharmacies live in rural areas that see higher rates of disruptions in mail service than their counterparts living in more urban areas. However, both populations will be impacted regardless of where they live.

Additionally, this will dramatically impact our pediatric healthcare for those families enrolled in TRICARE because it is independent pharmacies who provide specialized compounding services for many children whose healthcare needs cannot be met by traditional manufactured drugs.

While other Congressional inquiries are ongoing into this drastic change, we seek information regarding this change and respectfully request answers to the following questions:

1. Cigna/Express Scripts (ESI) has said that there are more than 7,000 independent pharmacies in their new retail pharmacy network, yet it is difficult to determine how they could reach that figure based on the number of independents that have been cut out of the network. How is Cigna/Express Scripts defining independent pharmacy? Can you share the list of the 7,000 plus independent pharmacies that Cigna/ESI says are in the retail network?
2. How did Cigna/ESI decide which contract terms were offered to different types of pharmacies (i.e., chain, grocery, mass merchant, independent)? We know there are winners and losers meaning some pharmacies (including chains and big box stores) were offered more favorable

contract terms while many pharmacies were offered contract terms that reimburse well below their acquisition cost and did not include a dispensing fee.

3. Does Cigna/ESI reimburse their own mail order pharmacy at a higher rate than they reimburse other retail pharmacies in the network?
4. What is Cigna/ESI's reimbursement rate for their own mail order pharmacy compared to the contract terms they offered other pharmacies? Does the Department of Defense (DOD) pay Cigna/ESI administrative fees, on top of reimbursements, for all prescriptions they dispense through their mail order pharmacy? And if so, what is the administrative fee paid to Cigna/ESI to dispense drugs via their mail order facility?
5. Does the DOD have requirements for the inclusion of a certain percentage of small business in their contracts? If so, what are the requirements for small business participation in TRICARE retail pharmacy network contracts?
6. Is Cigna/ESI providing different deals with pharmacies in high-volume areas and "balancing" those better rates by eliminating participating pharmacies in areas that are more rural or less affluent?
7. Is there any consideration in increasing the 15-minute drive time from one pharmacy?
8. What is the total number of TRICARE families that will be impacted by this change in service? If you do not know, why did no assessment occur before contract negotiations took place?
9. How many TRICARE beneficiaries will be impacted by the departure of pharmacies serving long-term care facilities? Residents of long-term care facilities (e.g., assisted living, post inpatient rehab) will not have the option of switching pharmacies due to policies designed to minimize medication administration errors.
10. How many TRICARE beneficiaries are impacted by the departure of home infusion pharmacies? What are the plans for transitioning care for these patients with chronic medical conditions? How many will be able to continue home infusion services vs. being transitioned to an infusion facility?

Due to the urgency around this situation, we look forward to your answers to ensure access to healthcare for TRICARE beneficiaries across the country.

Sincerely,



Ralph Norman
Member of Congress



John Rose
Member of Congress



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Diana Harshbarger, Pharm.D.
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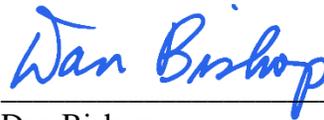
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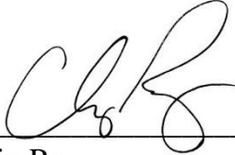
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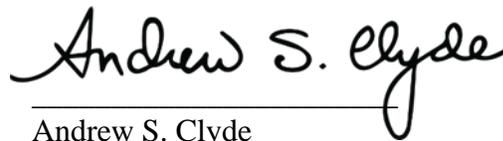
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