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NEWS AND TRENDS

TRICARE Removed 15,000 Independent Pharmacies From Network

By Staff

Falls Church, VA—The removal of about 15,000 independent pharmacies from the TRICARE network created a firestorm of protest.

So much protest, in fact, that Express Scripts—which manages the TRICARE pharmacy retail network under a contract with the Department of Defense (DoD)—said it would be giving many excluded pharmacies another chance to become an approved provider; however, that offer was met with skepticism because there was no mention of what reimbursement rates would be.

The military's healthcare program **announced** last month that 15,000 independent pharmacies would no longer be in the TRICARE retail pharmacy network, adding in a press release, "Even with the departure of these community pharmacies, the network will still offer access to more than 40,000 pharmacies."

Pharmacy groups and some congress members adamantly objected. In a **letter** to U.S. Defense Secretary Lloyd Austin, the National Community Pharmacists Association (NCPA) said that eliminating the option for TRICARE beneficiaries to obtain their prescriptions at their pharmacy of choice should be reversed.

"The Department of Defense has awarded Cigna/Express Scripts a contract to continue administering the TRICARE pharmacy benefit and has allowed Cigna/Express Scripts to reduce the retail pharmacy network from 50,000 participating pharmacies to 35,000 pharmacies and to lower access standard thresholds creating additional obstacles for TRICARE patients," wrote NCPA CEO B. Douglas Hoey, RPh, MBA. "They have done this despite the fact that of the 9.6 million TRICARE beneficiaries, 7 million of them use a retail network pharmacy each year. Unfortunately, this reduction has come at the expense of small-business independent community pharmacies and their TRICARE patients' ability to access retail network pharmacies."

Dr. Hoey also said it is unclear whether Express Scripts' announcement in mid-November will be given another chance to join the network would make much of a difference because of reimbursement issues.

"TRICARE patients earned their benefits, and it is imperative that they retain convenient access to their health care providers," Dr. Hoey added. "With a vast majority of independent pharmacies out of the network, along with large chains such as Kroger and Walmart, it is difficult to see how Cigna/Express Scripts is meeting even the reduced access standards in its new contract with DOD. We, therefore, urge you to take steps to ensure all pharmacies that were included in the 2022 Tricare network remain in the 2023 network at the 2022 terms and conditions. Without this action, access to needed medications for Tricare beneficiaries is in peril."

The pharmacy network changes are estimated to affect about 400,000 TRICARE beneficiaries by shrinking the retail network by almost 15,000 pharmacies, most of which are independent community pharmacies located in underserved rural and urban areas.

Even worse, the NCPA said, is that Express Scripts implemented the changes effective October 24, 2022, when pharmacies and beneficiaries expected the 2022 contract to last through the end of the year.

Legislators also expressed dismay at Express Scripts' action. Senator Jon Tester (D-MT), chairman of the Senate Committee on Veterans' Affairs, demanded to know what the DoD is doing about the situation. "Our TRICARE beneficiaries deserve convenient access to the quality and timely benefits and care they have earned, and I will continue to strongly oppose any efforts to restrict that access," Senator Tester wrote in a letter to Undersecretary of Defense, Gilbert Cisneros.

A letter from 100 bipartisan members of the House and Senate to Seileen Mullen, acting assistant secretary of defense for health affairs, asked the following questions:

1. How is DHA monitoring current and future retail pharmacy participation in the TRICARE Pharmacy program?
2. If future in-network pharmacy participation decreases, what steps will DHA take to ensure adequate access to in-person pharmacy services for TRICARE beneficiaries?
3. Terminating the 2022 pharmacy contracts 2 months ahead of schedule will likely lead to a disruption of care for TRICARE beneficiaries. What reasons has Express Scripts given DHA for terminating the 2022 contracts early? Please outline what oversight DHA has over Express Scripts, as well as what authority DHA has given Express Scripts to make these contract changes.

That effort was led by Senator Tom Cotton (R-AR) and Representative and pharmacist Buddy Carter (R-GA).

In mid-November, Express Scripts said it would send a letter about a December contract solicitation directly to the pharmacies that either declined the recent contract or are affiliated with a wholesaler that declined the contract on their behalf. If the pharmacy accepts the contract, it would be able to rejoin the TRICARE network effective January 15, 2023.

The NCPA said that many of the community pharmacies never even received the proposed contract for the 2023 retail network, which Express Scripts sent by fax. It also remained unclear whether any rates or terms will change in the new contracts being offered. More than 7,000 independent pharmacies accepted the proposed 2023 rates earlier this year.

"Cigna/Express Scripts offered contract terms to these independent pharmacies that were far below medication acquisition costs, forcing most independent community pharmacies to make the difficult choice to reject the terms, with no opportunity to renegotiate," Dr. Hoey noted in his letter to Secretary Austin.

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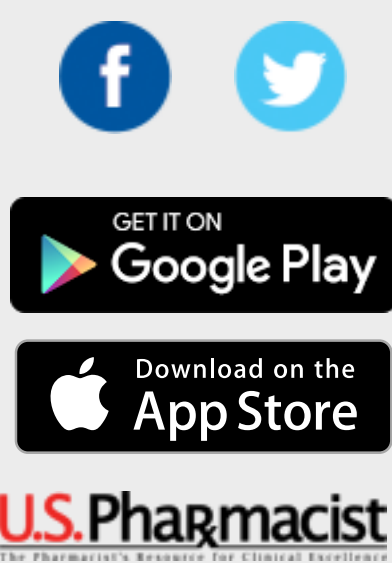
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