

Defense Department health plan cuts its pharmacy network by nearly 15,000 outlets

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Doris Spatz takes a once-a-day pill, Kisqali, to keep her metastatic breast

cancer in check. As a patient in the Defense Department health system, she can fill routine prescriptions at a military pharmacy without a copay but also has the option of using a regular pharmacy through Tricare, the Defense Department's private health care program.

Spatz found a [local pharmacy](#) in her Alexandria, Virginia, neighborhood and was getting the life-preserving medicine there.

That is, until Oct. 24, when Express Scripts, the [pharmacy](#) benefit manager for Tricare, dropped nearly 15,000 pharmacies from its network. Many of them were small, independent pharmacies, like Neighborhood Pharmacy of Del Ray, where Spatz was a customer.

That decision created problems, according to Doris' husband, Dr. Michael Spatz, because the breast cancer drug is not carried by every pharmacy. And some larger chains require patients to use a branch of their business known as a specialty pharmacy for pricey or scarce medications for complex diseases.

"Express Scripts told us, 'You can just go to CVS,'" Michael Spatz said. "But that was kind of a mess because you can't just go into CVS and get a \$1,500 medicine. You have to be in their special pharmacy system."

About 27% of all pharmacies in the Tricare network are no longer covered, leaving more than 400,000 military beneficiaries affected. The move has upset customers and many independent pharmacies and has raised concerns among some service member advocates and lawmakers, especially those in rural states, who feel it disproportionately affects rural veterans.

In a September letter to the Defense Department, U.S. Sen. Jon Tester, D-Mont., chair of the Senate Veterans' Affairs Committee, said: "No longer able to rely upon their local pharmacy to access needed

medications and in-person pharmacist counseling, they would be forced to drive long distances to find corporate in-network pharmacies or be funneled into Express Scripts' mail delivery program. That is unacceptable."

Many of the affected pharmacies knew they would be dropped from the network at the end of the year because they didn't accept Express Scripts' terms, which included reduced reimbursement rates. But they were surprised by the early ejection, said Ronna Hauser, senior vice president of policy and pharmacy affairs at the National Community Pharmacists Association. "This was a very botched rollout of this new network and unfortunate, ultimately, for the patients," she said.

The Military Officers Association of America, an [advocacy group](#) for active-duty and retired personnel, said it was pressing for a reversal of the decision.

While acknowledging that the Defense Department is under pressure to control [health care costs](#), Karen Ruedisueli, the association's director of government relations for health affairs, called the change "unprecedented and shortsighted."

Peter Graves, a spokesperson for the Defense Health Agency, which oversees medical care and services for 9.6 million beneficiaries, including service members, military retirees, and their families, said the Pentagon does not participate in [contract negotiations](#) between its pharmacy benefit manager and retail pharmacies.

But, he said in an emailed statement, the changes will not inconvenience many of the people in the program. Roughly 95% of beneficiaries will have access to at least two network pharmacies within a 15-minute drive, he said, and "99.8%" will have access within 30 minutes.

"The Tricare retail network will continue to meet or exceed Tricare's standard for pharmacy access," Graves said. "Beneficiaries will continue to have many convenient, local in-network options for filling their medications, including those beneficiaries in rural locations."

In a separate email, Express Scripts spokesperson Justine Sessions said the decision to leave the network was "up to the pharmacy and/or the wholesalers that negotiate on their behalf." She added that roughly 80% of pharmacies being dropped from the network had fewer than 50 prescription claims in the past six months from Tricare and that 25% had none. Sessions said Express Scripts has a team dedicated to contacting the "small percentage of beneficiaries that may be impacted by these changes" and helping them move their prescriptions.

"Our charge is to ensure Tricare beneficiaries can access their prescription medication safely, affordably, and conveniently, and at the best value for the Department of Defense and taxpayers," Sessions said.

The transition is especially problematic for a small group of Tricare beneficiaries who are chronically ill, have a disability, and receive infusion medications in their homes, according to pharmacists.

Logan Davis, vice president of trade at Vital Care Infusion Services, which serves customers in 30 states, said that the company's services are covered under Tricare's medical benefit but that the medications used for the infusions are often purchased from independent pharmacies.

The move could delay care for patients with chronic conditions such as rheumatoid arthritis, myasthenia gravis, and Crohn's disease, Davis said. Swapping out intravenous prescriptions isn't simple, he said.

"It may not be a huge number of patients, but these are patients on complex drugs that are very ill who depend on getting these drugs to stay

out of the hospital and to have a quality of life," Davis said.

Some lawmakers and advocacy groups have decried the move. Sen. Tom Cotton, R-Ark., Rep. Buddy Carter, R-Ga., and 98 members of Congress, both Republicans and Democrats, sent a letter Sept. 29 to Seileen Mullen, acting assistant secretary for health affairs at the Defense Department, protesting the decision. They said the move could affect beneficiaries' health and lead to higher administrative fees for the Defense Health Agency.

"What reasons has Express Scripts given DHA for terminating the 2022 contracts early?" they asked. "This will only further reduce the pharmacy network for Tricare patients and their families, and may force beneficiaries to change pharmacies at a time when many receive annual vaccinations."

Carter's website now includes a form that asks affected patients, pharmacists, and [health care providers](#) for feedback so the lawmaker can catalog them and press the Biden administration for a reversal. "We've been told by the Biden Administration that they do not believe patients and pharmacists care about losing this access," the website says. "We know you do, and we are bringing your stories to them."

Sessions, with Express Scripts, did not give a reason for expediting the pharmacies' departure from the network but said pharmacies may have been blindsided because "apparently some wholesalers declined on behalf of their pharmacies without communicating that to them."

The National Home Infusion Association reached out to Humana Military and Health Net Federal Services, the private companies that provide [medical care](#) and services to the Tricare network, to obtain authorization to provide services but was told that Express Scripts, as the pharmacy arm of the process, will be trying to transition patients to a

network provider or send them to a physician's office for their treatment.

"This is not an acceptable answer for a disabled veteran," said Connie Sullivan, CEO of the National Home Infusion Association. "They are usually getting our services because they don't have a provider who can do an infusion without spending hours getting there. Transportation is very challenging."

The National Community Pharmacists Association sent a letter Oct. 18 to Defense Secretary Lloyd Austin urging him to allow the pharmacies to stay in the network through 2023 under the same terms as they had this year.

"With the vast majority of independent pharmacies out of the network, it is difficult to see how Cigna/Express Scripts is meeting even the reduced access standards in its new contract with DoD," wrote the group's CEO, B. Douglas Hoey, referring to Tricare's standard that 90% of patients have at least one network pharmacy within a 15-minute drive.

"Without this action, access to needed medications for Tricare beneficiaries is in peril," he said.

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