

Oct. 18, 2022

The Honorable Lloyd J. Austin
Secretary
U.S. Department of Defense
1000 Defense Pentagon
Washington, D.C. 20301-1000

Dear Secretary Austin:

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. 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.

Pharmacists continue to be among the most accessible health care providers in the United States. Over 90 percent of Americans live within five miles of a community pharmacy, and 76.5 percent of pharmacies in rural areas are independent community pharmacies. In addition to dispensing medications and administering vaccines, community pharmacies provide services that lead to better health outcomes and lower overall health care costs.

However, 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. Additionally, Cigna/Express Scripts' communication with pharmacies and TRICARE beneficiaries has been abysmal. For example:

- Cigna/Express Scripts sent community pharmacies contracts for the 2023 retail pharmacy network by fax and many pharmacies never received them.
- In correspondence that has been sent to TRICARE beneficiaries, Cigna/Express Scripts lists some pharmacies that did not receive or accept the new contract as still in-network for the new contract period.
- Cigna/Express Scripts unilaterally terminated contracts early for pharmacies participating in the 2022 network effective Oct. 24, 2022. TRICARE beneficiaries received letters informing them of this effective date, but many pharmacies themselves only found out from their patients.

Cigna/Express Scripts' poor administration of this new contract has created confusion among many TRICARE beneficiaries and pharmacies alike. In fact, some patients have spoken out publicly¹ about the pharmacy access problems these pharmacy network changes create for them, and it is incumbent upon the Department of Defense to rectify these problems.

¹ <https://www.stripes.com/theaters/us/2022-10-11/tricare-prescriptions-pharmacy-express-scripts-7659239.html>; <https://www.myjpaper.com/node/6042>
<https://www.wjcl.com/article/richmond-hill-pharmacy-and-patients-of-more-than-30-years-impacted-by-insurance-cutting-providers/41302104>

TRICARE patients earned their benefits, and it is imperative that they retain convenient access to their health care providers. 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.

Sincerely,

A handwritten signature in black ink, appearing to read "B. Douglas Hoey". The signature is fluid and cursive, with the first name "B." and last name "Hoey" clearly distinguishable.

B. Douglas Hoey, Pharmacist, MBA
NCPA CEO