

## **THE CASE AGAINST THE CVS/CAREMARK PRESCRIPTION PLAN**

When this proposal was first brought to the Washtenaw County Board of Commissioners, I had many questions about it. Both Commissioner Bergman and I have sent out a number of substantive memos concerning the business practices of CVS Caremark, and the lawsuits that were settled against them. Not one Commissioner on this Board responded to me concerning these facts. Therefore, I am going now to tell the public about what is actually going on with this corporation. And to say that this is a different part of the corporation is disingenuous. The card shown to us said "Washtenaw County" and "CVS/Caremark". In the news articles that I am referencing, all easily available on the Internet, the term CVS/Caremark is used.

On a web site called "Medical News Today", there was an announcement that CVS/Caremark agreed to pay \$38.5M to settle allegations that it did not pass on rebates and discounts to patients' employers. The company was sued by 22 Attorneys General from as many states, as reported in the Chicago Tribune. The settlement requires that CVS/Caremark pay \$22M to these states to be used for low income, disabled or elderly patients, or to be used to educate consumers about cost differences among prescription drugs.

In addition, the plan must pay \$2M to members for the increased costs of certain cholesterol treatments, and \$15M to cover the cost of the investigation. CVS/Caremark is now prohibited from requesting prescription drug switches. The San Francisco Chronicle of Feb. 14, 2008 quotes Pennsylvania Attorney General Tom Corbett as saying, "This agreement stops the deceptive business practices, and takes the necessary steps to protect health plans and patients".

So, did they stop? Definitely not. There was yet another settlement reached between CVS/Caremark and The Federal Trade Commission, requiring them to implement an information security system. This settled charges that CVS/Caremark violated the Health Insurance Portability and Accountability Act (known as HIPPA) because pharmacists discarded pill bottles, medication

instructions and order information into open trash cans, thus violating patient confidentiality. This is particularly sensitive to us because at an earlier Board meeting Commissioner Ping expressed the concern from some of her constituents that they did not want the county to know their information. The Washtenaw Health Plan and the entire county, in its dealings with citizens, rigidly observe all the HIPPA rules. It is obvious that CVS/Caremark does not. The company now must assess and report on its security every two years, and was ordered to pay a fine of \$2.25M for violating HIPPA. This violation does not sit well with those of us who are concerned with patient information getting into the wrong hands.

Did they NOW stop? Again, definitely not. An article from the Washington Post dated Feb. 9, 2010 announces that the Federal Trade Commission is investigating allegations of improper business practices by CVS/Caremark. These are incredibly troubling practices, and include the following:

- Steering customers to CVS facilities instead of pharmacies the patients choose.
- Using consumer data “as a vehicle to increase retail and prescription drug sales”. (This is not just a violation of HIPPA, but uses data about what drugs you are taking to sell you more drugs – I find this particularly appalling – they are trying to come between you and your doctor.)
- Switching patients to drugs that are more profitable for CVS Caremark.

These facts, all freely available on the Internet, are something that I have communicated to all of you through I-boc e-mail. I believe that we would be doing a great disservice to our residents if the name of Washtenaw County were to appear on a CVS/Caremark card. In addition, in her recent e-mail, Commissioner Judge argued that county residents have lost almost \$300,000 from delaying this program. From where does this figure come? I have seen absolutely no data to back up any of these so-called savings estimates.

In an e-mail addressed to all of us, Commissioner Judge said that this card with our name on it is “just a coupon”, not part of a health plan. Well, if that is so,

then why don't they just hand out these coupons, and forget putting the name of Washtenaw County on it? They could be distributed anywhere. Why on earth do we need a contract if it's just a coupon, like the ones we use for groceries and other consumer items? And, I have not seen a copy of the NaCo/CVS contract, nor have we been provided with a copy of the so-called "small contract" that Washtenaw County would have to sign and adhere to. Without knowledge of these documents, we are not being fully informed.

I would also like to add a personal note to Commissioner Judge. In her e-mail that we all received on Sunday, she says, "I hope that my colleagues will ask themselves what is their true motivation in opposing this program? I believe is [sic](I think she means if) you ask yourselves, 'What is best for the residents?' you will be inclined to vote to support this program". Well, after finding out about the fraudulent business practices of CVS/Caremark, I do not want the name of Washtenaw County associated with this company or plan in any way. I find Commissioner Judge's comments questioning her colleagues' motivations in opposing something she wants to be highly offensive, and they have no place in the discourse of government decision-making.

For all of the reasons I have articulated, I will not be supporting this resolution.