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Senators Express Concern Over Express Scripts-Medco Pharmacy Merger

ALEXANDRIA, Va. (Dec. 5, 2011) – In advance of a key Senate subcommittee hearing, three U.S. Senators have joined the growing ranks of consumer groups, lawmakers and employers questioning the [proposed mega-merger](#) of two of the three largest pharmacy benefit managers (PBMs) – Express Scripts and Medco Health Solutions, the [National Community Pharmacists Association](#) (NCPA) said today.

In a [letter](#) to Federal Trade Commission (FTC) Chairman Jon Leibowitz, U.S. Senators Saxby Chambliss (R-Ga.), Johnny Isakson (R-Ga.) and Jerry Moran (R-Kan.), urged a “thorough and complete investigation” of the proposed union. They pointed to the dominance that the company, if combined, would have particularly in the specialty and mail order pharmacy markets and requested that the FTC “take into account what impact this proposed merger could have on consumers and patients, on taxpayers, on the government, and on pharmacies.”

“We appreciate these Senators and all members of Congress who have taken a stand for patients by voicing their doubts about this merger,” said NCPA CEO B. Douglas Hoey, RPh, MBA. “This merger would reduce patient choice and access to pharmacy services and ultimately result in higher prescription drug costs. While these companies may talk a good game to regulators and in Congressional testimony, their actions suggest they are more concerned with rewarding Wall Street investors and lavish executive compensation than improving patient care or reducing costs. The latest example of this being the reported \$83 million ‘[golden parachute](#)’ for five Medco executives, should the merger go through.”

Tomorrow, the U.S. Senate Judiciary Subcommittee on Antitrust, Competition Policy and Consumer Rights is scheduled to [hold a hearing](#) entitled, “The Express Scripts/Medco Merger: Cost Savings for Consumers or More Profits for the Middlemen?” NCPA member Susan Sutter of Marshland Pharmacies in Wisconsin is scheduled to testify. In September, a House Judiciary Subcommittee held a separate hearing.

“We are very supportive of our Senators who urged the FTC to conduct a complete investigation of this merger which takes into account the potential - and expected - harm to Georgia's community pharmacists and their patients,” says Jim R. Bracewell, executive vice president of Georgia Pharmacy Association.

With the Senators’ letter, now 27 members of Congress have voiced concerns about the merger. Their unrest is shared by a wide range of other public and private sector stakeholders. Recently, the American Antitrust Institute (AAI), [the Small Business Majority](#) and the [Pennsylvania Pharmacy Council](#) came out against the merger.

In its [letter to the FTC](#), the AAI argued, “The merger will likely cause anticompetitive harm in the provision of PBM services to the large plan sponsors market segment. Because of the large PBMs’

vertical integration and enhanced buyer power, the merger will also likely cause anticompetitive harm in the specialty pharmacy and mail order pharmacy market segments.”

In addition, while the FTC continues to scrutinize the merger, at least 28 state attorneys general have formed a working group to [conduct their own review](#).

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The National Community Pharmacists Association (NCPA®) represents the interests of America's community pharmacists, including the owners of more than 23,000 independent community pharmacies. Together they represent a \$93 billion health care marketplace, dispense over 37% of all retail prescriptions, and employ more than 315,000 people, including 62,400 pharmacists. Independent community pharmacists are readily accessible medication experts who can help lower health care spending. They are committed to maximizing the appropriate use of lower-cost generic drugs and reducing the estimated \$290 billion that is wasted annually by improper medication use. To learn more go to www.ncpanet.org or read NCPA's blog, The Dose, at <http://ncpanet.wordpress.com>.