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Attorney General

State of Louisiana
DEPARTMENT OF JUSTICE
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December 28, 2022

Governor John Bel Edwards
Office of the Governor
State Capitol
900 North Third Street, Fourth Floor
Baton Rouge, LA 70802

Commissioner Jay Dardenne
Division of Administration
1702 N. 3rd St.
Baton Rouge, LA 70802

RE: Office of Group Benefits Pharmacy Benefits Management Contract

Dear Governor Edwards and Commissioner Dardenne:

You indicated that, despite *unanimous* rejection by the Joint Legislative Committee on the Budget (“JLCB”), you plan to move forward with a patently invalid contract between Office of Group Benefits (“OGB”) and Caremark PCS Health, LLC., (“Caremark”) for prescription drug coverage for OGB members, beginning January 1, 2023. Based on concerns communicated to my office from lawmakers, constituents, OGB members, and independent pharmacists, it is clear enough that this proposed contract will have a detrimental effect on people living in rural communities and independent pharmacists across our state. It is disappointing that your department is playing games with peoples’ health. It is my hope that your team will negotiate a fair and reasonable reimbursement rate for independent pharmacists, to ensure access to healthcare for OGB members.

OGB’s members include state and local government employees, teachers, retirees, and their dependents. These OGB members make up a significant amount of citizens in our state that will feel the impact of your decision. Under the proposed contract, a majority of independent pharmacists indicated they will no longer service OGB members because they simply cannot afford to do it. Even if they are able to service some OGB members, the pharmacies will be unable to fill all of their prescriptions. Based on the rates you negotiated, the independent pharmacists will lose money on each prescription for brand-name drugs that they fill for OGB members. That loss will not be offset by the amount the pharmacists will receive from filling the prescriptions for

generic drugs, and these independent pharmacists will have no choice but to decline servicing OGB members.

As a consequence, state employees, retirees and other members of the OGB plan will be forced to travel considerable distances to get their medication, and the attendant delay in getting prescriptions filled will undoubtedly compromise their health. This is not the goal of a state sponsored health care plan, and the contract should be revised to ensure that benefits are reasonably accessible. Otherwise, any benefit under the plan is pure illusion, and any number of employees, retirees and others will be left out in the cold.

Independent pharmacists play a vital role in providing access to healthcare for some of the most vulnerable populations across Louisiana. The number of independent pharmacists continues to decline due to policies like the ones you are attempting to enact via the Caremark contract. As independent pharmacy access disappears from the rural parts of our state, it creates pharmacy deserts. And any effort by the legislature to expand healthcare to rural communities is lost if a resident of these rural communities cannot get a basic prescription filled.

Let us put Louisiana first and negotiate a fair and reasonable reimbursement rate for these independent pharmacists and the patients they serve. OGB should not try to profit to the detriment of independent pharmacists and public employees.

Sincerely,



Jeff Landry
Attorney General

cc: David Couvillion
Chief Executive Officer, Louisiana Office of Group Benefits