

# CA INDEPENDENT PHARMACIES SUE MAJOR PBM OVER ILLEGAL PRICE DISCRIMINATION AND BELOW COST REIMBURSEMENTS

*Pharmacies Allege OptumRx Knowingly Paid Them Less Than Large Retail Chain Pharmacies and Misused Patient Information*

OAKLAND, CALIFORNIA, UNITED STATES, September 15, 2020 /EINPresswire.com/ -- The newest litigation against a major pharmacy benefit manager comes from a most likely source: their small business victims. Unwilling to tolerate the low reimbursements which threaten to drive them out of business, more than 30 California independent pharmacies have sued pharmacy benefit manager (PBM) OptumRx, a division of UnitedHealth Group, charging the company violated California laws by paying them less than their acquisition costs and illegally steering their patients to Optum's own mail-order pharmacy.

The lawsuit alleges that OptumRx ignored California law, unlawfully paid California pharmacies substantially less than it paid large chain retail pharmacies - like CVS or Walgreens - and its own mail-order pharmacy for the same prescriptions. The lawsuit further alleges that OptumRx deliberately reimbursed these independent California pharmacies below their wholesale cost to acquire generic prescription drugs necessary for their patients.

PBMs administer the prescription drug portion of health insurance and self-insured plans, acting as a middleman between the insurance plan and the pharmacist. Over the last 20 years, these companies have accumulated immense, unregulated power - the three largest PBMs controlling over 80% of the healthcare market - and have utilized that power to increase prescription drug costs, decrease competition, and restrict patient choice.

Paying independent pharmacies less than their acquisition and dispensing costs is likely one reason why OptumRx is the most profitable component of UnitedHealth Group; the world's largest health insurance company, with over \$225 billion in annual revenues.

The California pharmacies in the lawsuit allege that:

PBMs dictate reimbursements without notice or negotiation, and the dictated rates are often unrelated to the pharmacies' actual wholesale costs to acquire the drugs for their patients.

Sometimes for a prescription filled by the pharmacy, Optum charges the patient's health care

plan the brand price while paying pharmacies the lower generic price for each prescription. This allows Optum to collect huge profits on prescriptions merely by changing their classification.

Optum built a wall of secrecy around its conduct by forcing network pharmacies into confidentiality agreements that conceal the truth - specifically how much Optum is paid by insurance plans for prescriptions, how much Optum receives in rebates from drug manufacturers, and how little Optum pays to pharmacies who actually serve the patients and dispense the drugs.

Optum illegally takes patient information it receives from independent pharmacies through the claims process and uses it to steer those customers to Optum's own mail-order pharmacy.

The survival of independent pharmacies in the U.S. healthcare system is seriously threatened by the unethical, predatory business practices of PBMs. This lawsuit seeks to break this wall of secrecy and hold Optum accountable.

The California pharmacies are represented by Mark Cuker and Neal Jacobs of the [Jacobs Law Group](#), and the California firm of [Barrack, Rodos, and Bacine](#). Cuker and Jacobs also represent over 500 independent pharmacies in lawsuits pending in Pennsylvania and Illinois.

For more information about the Independent Pharmacies vs. PBM lawsuits, contact Mark Cuker at (215) 531-8512 or 215-569-9701.

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