

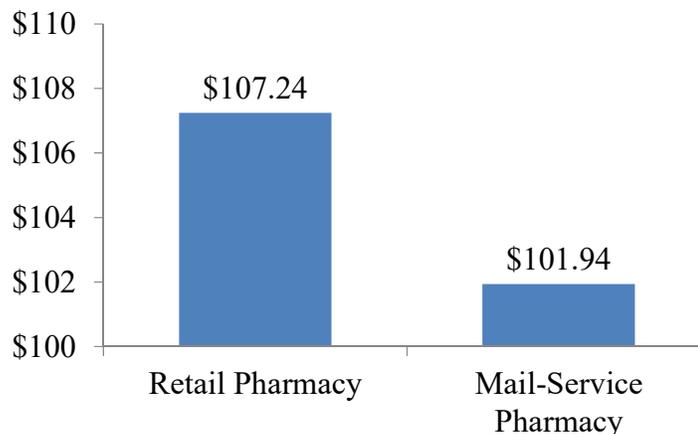


The Facts About Mail-Service Pharmacy

Recent studies sponsored by the drugstore lobby attempt to discredit the popular and low-cost mail-service pharmacy option. However, none refute what numerous government, private, and academic researchers have found: mail-service pharmacies lower overall costs. A comparison of prescription drug costs, found:

- Mail-service pharmacies save approximately 5% on average prescription costs compared to retail pharmacies in Medicare Part D.
- Medicare Part D beneficiaries are experiencing greater than 20% cost sharing discounts at mail.
- Average Medicare prescription costs are \$107.24 at retail pharmacies compared to \$101.94 at mail-service pharmacies.

Average Medicare Part D Prescription Costs



Likewise, a recent survey of Medicare-eligible seniors also sponsored by the drugstore lobby found:

- Three times as many senior citizens agree than disagree that “getting prescriptions by mail is less expensive than getting them filled at a local pharmacy.”
- Seniors that actually use mail-service pharmacies are even more likely to agree that they are less expensive than local pharmacies.
- Most seniors do not agree with the drugstore lobby’s “concerns” about using mail-service pharmacies to obtain prescriptions more affordably.

Mail-Service Pharmacy Research: Savings, Safety, and Increased Adherence

- **Department of Defense Office of Inspector General (OIG):** A 2013 OIG report found that Tricare’s mail-service pharmacy program saves money, controls waste, and generates 96% satisfaction among America’s Uniformed Service members, retirees and their families. OIG “found no reason to conclude” that mail-service pharmacies generate more waste than retail pharmacies.
- **Visante.** Mail-service pharmacies can save Medicare seniors, employers, unions, government employee plans, consumers, and other commercial-sector payers \$46.6 billion in prescription drug costs over the next ten years, according to a 2012 study from Visante.
- **The Federal Trade Commission (FTC).** The FTC concluded in a 2005 report that PBM-owned mail-order pharmacies offer lower prices on prescription drugs than retail pharmacies and are very effective at capitalizing on opportunities to dispense generic medications.
- **U.S. Government Accountability Office (GAO).** In January 2003, the GAO examined the value provided by PBMs participating in the federal employees' health plan. For prescription drugs dispensed through mail-order pharmacies, the average mail-order price was about 27 percent below the average cash-price paid by consumers for a brand name at a retail pharmacy and 53 percent below the average cash-price paid for generic drugs.
- **The Journal of General Internal Medicine.** In a 2011 report, the Journal of General Internal Medicine found that patients receiving their prescription medications through a mail-service pharmacy achieved better cholesterol control compared to those who obtained their statin prescriptions from their local pharmacy.
- **Pharmacotherapy: Official Journal of the American College of Clinical Pharmacy.** Peer-reviewed data found that highly automated mail-service pharmacies dispensed prescriptions with 23 times greater accuracy than retail pharmacies. The mail-service error rate was zero in several of the most critical areas, including dispensing the correct drug, dosage, and dosage form.
- **American Journal of Managed Care.** Consumers receiving their prescription medications for chronic conditions through a mail-service pharmacy “were more likely to take them as prescribed by their doctors than did patients who obtained them from a local pharmacy.”
- **Ayres, McHenry & Associates, Inc. (September 2011).** A survey of small businesses found that [nearly eight-out-of-ten small businesses](#) want to be able to continue offering discounts that encourage employees to use mail-service pharmacy.

- **Ayres, McHenry & Associates, Inc. (November 2011).** A survey of consumers found those [who use home delivery are strongly satisfied with it.](#)
- **88 U.S. Representatives Urge USPS to Preserve Six Day Delivery of Mail-Service Pharmacy.** In a [letter](#) to United States Postmaster General and Chief Executive Officer Patrick Donahoe, 88 members of the United States House of Representatives urged the Post Office to continue delivering medications to all Americans six days a week and touted the benefits of mail-service pharmacies:

“In our home districts, Medicare, Medicaid, TRICARE, VA and other beneficiaries currently rely on low cost delivery of prescription drugs to their doorstep. Whether it is a homebound senior that cannot walk or drive to the pharmacy, or a Veteran who lives in a rural area with limited access to the prescription drugs they need, all of these home delivery beneficiaries cannot afford to go without their medications for days. Nor should they have to obtain their medications through more costly delivery methods, which would only draw business away from the USPS and threaten its long term financial stability.

“This growing population of home delivery prescription beneficiaries is not only good for the USPS and patients, but our government as a whole. According to the Department of Defense, the government saved \$33 million in FY2010 alone through use of TRICARE's Home Delivery Program. Home delivery is the most cost effective way of filling prescriptions for TRICARE beneficiaries, and saves Medicare and Medicaid money as well. This integral part of the USPS's services should not be changed in your reform and restructuring of the federal postal service.”