



Louisiana State Senate

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Senator Cloud Expresses Displeasure with DOA and OGB for new Caremark contract

December 16, 2022 - During a meeting of the Joint Legislative Committee on the Budget yesterday, several members of the committee, including State Senator Heather Cloud, expressed displeasure with both DOA and OGB for a new contract with Caremark that could make it difficult for state employees to access certain prescriptions from their local pharmacies. The \$2 billion pharmacy contract is expected to go into effect January 1, 2023, and could impact the over 200,000 state workers covered by the Office of Group Benefits.

During the budget meeting, it was made clear that this contract will result in \$700 million in rebates for OGB, but could cost independent pharmacies excessively to fill prescriptions for policy holders. The issues highlighted by Senator Cloud specifically were that this could create pharmaceutical deserts and could leave citizens in rural areas without access the life-saving medications. Senator Cloud used an area in her district, Cottonport, Louisiana, as an example. With only two pharmacies in the area, state workers with chronic illness will not have access to the prescriptions they need. Another issue highlighted was that members are not aware of the changes being made, and would need to contact their pharmacies to find out if they would be carrying their prescriptions after January 1, 2023, which is a mere 2 weeks away. With no back-up plan for this contract in place, legislators are disappointed and worried for their constituents.

Senator Cloud said, "I have a problem with the fact that a group member program that services over 200,000 people in the state will be set up in a disadvantaged way while OGB will be set up in an advantageous way with extra money coming in. This money could be used to create balance in the areas that are being set up to fail." She went on to say, "This should not be about profitability for OGB or independent pharmacies, this is about patient access to life-saving medication, and the DOA and OGB are casually turning a blind eye. There are areas that do not have access to a CVS on every corner, and citizens in these areas are going to suffer because of the contract OGB is putting into place."

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