



Peter Mucchetti, Chief
Healthcare and Consumer Products Section, Antitrust Division
Department of Justice
450 Fifth Street NW, Suite 4100
Washington, DC 20530

December 7, 2018

Re: CVS-Aetna Proposed Merger

Dear Mr. Mucchetti,

My name is David Benoit. I am a pharmacist and for over twenty years, I have worked in the business of independent community pharmacy at Northeast Pharmacy Service Corporation (NPSC), a group purchasing organization. On behalf of NPSC and the over 280 participating independent community pharmacies we represent, I am writing this letter to voice our opposition to the CVS-Aetna merger.

First we would like to point out that we agree with California Insurance Commissioner Dave Jones, who published his opposition to the proposed CVS-Aetna merger on August 1, 2018. Specifically he stated:

*"The proposed merger of CVS and Aetna will significantly reduce competition in the PBM and Medicare Part D markets, affecting millions of health care consumers throughout the country. A merger of this size and type, according to experts on health insurer and health care mergers, will likely lead to increased prices and decreased quality. Further, partial divestiture or other remedies traditionally used by the Department of Justice will not adequately protect consumers or address the adverse consequences of a merger of CVS and Aetna. Traditional methods to avoid market concentration will not address potential impacts on service quality, the power to charge excessive rates, or the creation of barriers to block a potential market participant with the resources to enter into new markets."*¹

¹ California Insurance Commissioner Dave Jones urges U.S. Justice Department to block merger of CVS and Aetna, August 1, 2018 <http://www.insurance.ca.gov/0400-news/0100-press-releases/2018/release085-18.cfm>

We at NPSC believe that this proposed \$69 billion merger would lead to a “significant reduction” of market competition in both the pharmacy benefit manager (PBM) services market as well as the Medicare Part D prescription drug plan market for seniors. For example Mr. Jones pointed to the fact that nationally Aetna has a 9 percent market share among Part D plans while CVS Health has a 24 percent market share, with significant geographical market overlap. If the merger is allowed to proceed, Aetna would sell its Medicare Part D clients to Wellcare who is a client of CVS. This goes to show that the increasing market concentration that we are witnessing in the payer industry would reduce competition of Medicare Part D plans for senior consumers and would likely result in a significant uptick in Part D premiums. This would be detrimental for patient access to much needed medications, especially for those seniors on fixed incomes that would have a difficult time adjusting to increased prices.

Additionally, with the increased mergers we have witnessed between payers and PBMs, this proposed merger if allowed will put the insurance market at a “tipping point,” where it will put insurers that don’t own their own PBM at a significant market disadvantage.

Lastly, we would like to point out that Congress is raising concerns about this proposed merger. In an August 14, 2018 [news release](#), Senator Chuck Grassley (R-IA) who is Chairman of the Senate Judiciary Committee wrote a letter to Assistant Attorney General for Antitrust Makan Delrahim requesting that the Department of Justice conduct a vigorous review of the proposed mergers of Cigna Corp. with Express Scripts Holding Co., and CVS Health Corp. with Aetna Inc. The letter stated:

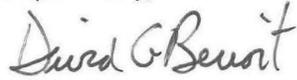
“Over the past several years, consumers have faced substantial increases in drug prices across the board. . . Part of Congress’s role is to encourage new strategies and experimentation among these market participants to drive down drug prices. To that end, vertical integration, like the proposed transactions, can often result in increased efficiencies and consumer benefits, and should be evaluated accordingly,” Grassley wrote. *“Such integration, however, can also lead to increased barriers to entry for competition in each standalone market. As such, we must ensure that these transactions do not foreclose competition and consumer access, or hinder innovation, especially in underserved rural areas.”*

We at NPSC and I as a pharmacist strongly oppose the merger of CVS and Aetna. We hear from pharmacies constantly about the unfair business practices that PBMs have leveled against pharmacies for a number of years due to lack of transparency requirements nationwide. This current business environment has already led to a strain on patient access and a downward spiral of adequate and fair reimbursement for pharmacies. I believe that if approved this proposed merger would further exacerbate the problem, which will ultimately result in increased prescription drug prices, reduced provider and patient choice and a stifling of

innovation in Medicare Part D stand-alone prescription drug plans, pharmacy benefit management services, health insurance, and retail pharmacy.

Thank you for your attention to this matter.

Respectfully,

A handwritten signature in cursive script that reads "David G. Benoit".

David Benoit, MHP, RPh
VP, Patient Care Services
Northeast Pharmacy Service Corporation

From: [REDACTED]
To: [AMA](#); [AAPS](#); tips@nypost.com; [ATR-Antitrust - Internet](#); John.hassell@aidshealth.org; ccandisky@dispatch.com; mschladen@dispatch.com; dc.jnc@dc.gov; [PA OP](#); [Ohio Reporters](#)
Subject: December-7-NPSC-Letter-in-Opposition-to-CVS-Aetna-Merger.docx
Date: Wednesday, December 19, 2018 11:41:57 PM
Attachments: [December-7-NPSC-Letter-in-Opposition-to-CVS-Aetna-Merger.docx](#)

<http://www.northeastpharmacy.com/downloads/2018/12/December-7-NPSC-Letter-in-Opposition-to-CVS-Aetna-Merger.docx>

December-7-NPSC-Letter-in-Opposition-to-CVS-Aetna-Merger.docx

Peter Mucchetti, Chief

Healthcare and Consumer Products Section, Antitrust Division

Department of Justice

450 Fifth Street NW, Suite 4100

Washington, DC 20530

December 7, 2018

Re: CVS-Aetna Proposed Merger

Dear Mr. Mucchetti,

My name is David Benoit. I am a pharmacist and for over twenty years, I have worked in the business of independent community pharmacy at Northeast Pharmacy Service Corporation (NPSC), a group purchasing organization. On behalf of NPSC and the over 280 participating independent community pharmacies we represent, I am writing this letter to voice our opposition to the

CVS-Aetna merger.

First we would like to point out the we agree with California Insurance Commissioner Dave Jones, who published his [opposition](#) to the proposed CVS-Aetna merger on August 1, 2018. Specifically he stated:

"The proposed merger of CVS and Aetna will significantly reduce competition in the PBM and Medicare Part D markets, affecting millions of health care consumers throughout the country,

A merger of this size and type, according to experts on health insurer and health care mergers, will likely lead to increased prices and decreased quality. Further, partial divestiture or other remedies traditionally used by the Department of Justice will not adequately protect consumers or address the adverse consequences of a merger of CVS and Aetna. Traditional methods to avoid market concentration will not address potential impacts on service quality, the power to charge excessive rates, or the creation of barriers to block a potential market participant with the resources to enter into new markets."

We at NPSC believe that this proposed \$69 billion merger would lead to a "significant reduction" of market competition in both the pharmacy benefit manager (PBM) services market as well as the Medicare Part D prescription drug plan market for seniors. For example Mr. Jones pointed to the fact that nationally Aetna has a 9 percent market share among Part D plans while CVS Health has a 24 percent market share, with significant geographical market overlap. If the merger is allowed to proceed, Aetna would sell its Medicare Part D clients to Wellcare who is a client of CVS. This goes to show that the increasing market concentration that we are witnessing in the payer industry would reduce competition of Medicare Part D plans for senior consumers and would likely result in a significant uptick in Part D premiums. This would be detrimental for patient access to much needed medications, especially for those seniors on fixed incomes that would have a difficult time adjusting to increased prices.

Additionally, with the increased mergers we have witnessed between payers and PBMs, this proposed merger if allowed will put the insurance market at a “tipping point,” where it will put insurers that don’t own their own PBM at a significant market disadvantage.

Lastly, we would like to point out that Congress is raising concerns about this proposed merger. In an August 14, 2018 [news release](#), Senator Chuck Grassley (R-IA) who is Chairman of the Senate Judiciary Committee wrote a letter to Assistant Attorney General for Antitrust Makan Delrahim requesting that the Department of Justice conduct a vigorous review of the proposed mergers of Cigna Corp. with Express Scripts Holding Co., and CVS Health Corp. with Aetna Inc. The letter stated:

“Over the past several years, consumers have faced substantial increases in drug prices across the board. . . Part of Congress’s role is to encourage new strategies and experimentation among these market participants to drive down drug prices. To that end, vertical integration, like the proposed transactions, can often result in increased efficiencies and consumer benefits, and should be evaluated accordingly,” Grassley wrote. *“Such integration, however, can also lead to increased barriers to entry for competition in each standalone market. As such, we must ensure that these transactions do not foreclose competition and consumer access, or hinder innovation, especially in underserved rural areas.”*

We at NPSC and I as a pharmacist strongly oppose the merger of CVS and Aetna. We hear from pharmacies constantly about the unfair business practices that PBMs have leveled against pharmacies for a number of years due to lack of transparency requirements nationwide. This current business environment has already led to a strain on patient access and a downward spiral of adequate and fair reimbursement for pharmacies. I believe that if approved this proposed merger would further exacerbate the problem, which will ultimately result in increased prescription drug prices, reduced provider and patient choice and a stifling of innovation in Medicare Part D stand-alone prescription drug plans,

pharmacy benefit management services, health insurance, and retail pharmacy.

Thank you for your attention to this matter.

Respectfully,

David Benoit, MHP, RPh

VP, Patient Care Services

Northeast Pharmacy Service Corporation

Sent from my iPhone

Peter Mucchetti, Chief
Healthcare and Consumer Products Section, Antitrust Division
Department of Justice
450 Fifth Street NW, Suite 4100
Washington, DC 20530

December 7, 2018

Re: CVS-Aetna Proposed Merger

Dear Mr. Mucchetti,

My name is David Benoit. I am a pharmacist and for over twenty years, I have worked in the business of independent community pharmacy at Northeast Pharmacy Service Corporation (NPSC), a group purchasing organization. On behalf of NPSC and the over 280 participating independent community pharmacies we represent, I am writing this letter to voice our opposition to the CVS-Aetna merger.

First we would like to point out that we agree with California Insurance Commissioner Dave Jones, who published his [opposition](#) to the proposed CVS-Aetna merger on August 1, 2018. Specifically he stated:

*"The proposed merger of CVS and Aetna will significantly reduce competition in the PBM and Medicare Part D markets, affecting millions of health care consumers throughout the country. A merger of this size and type, according to experts on health insurer and health care mergers, will likely lead to increased prices and decreased quality. Further, partial divestiture or other remedies traditionally used by the Department of Justice will not adequately protect consumers or address the adverse consequences of a merger of CVS and Aetna. Traditional methods to avoid market concentration will not address potential impacts on service quality, the power to charge excessive rates, or the creation of barriers to block a potential market participant with the resources to enter into new markets."*¹

We at NPSC believe that this proposed \$69 billion merger would lead to a "significant reduction" of market competition in both the pharmacy benefit manager (PBM) services market as well as the Medicare Part D prescription drug plan market for seniors. For example Mr. Jones pointed to the fact that nationally Aetna has a 9 percent market share among Part D plans while CVS Health has a 24 percent market share, with significant geographical market overlap. If the merger is allowed to proceed, Aetna would sell its Medicare Part D clients to Wellcare who is a client of CVS. This goes to show that the increasing market concentration that we are witnessing in the payer industry would reduce competition of Medicare Part D plans for

¹ California Insurance Commissioner Dave Jones urges U.S. Justice Department to block merger of CVS and Aetna, August 1, 2018 <http://www.insurance.ca.gov/0400-news/0100-press-releases/2018/release085-18.cfm>

senior consumers and would likely result in a significant uptick in Part D premiums. This would be detrimental for patient access to much needed medications, especially for those seniors on fixed incomes that would have a difficult time adjusting to increased prices.

Additionally, with the increased mergers we have witnessed between payers and PBMs, this proposed merger if allowed will put the insurance market at a “tipping point,” where it will put insurers that don’t own their own PBM at a significant market disadvantage.

Lastly, we would like to point out that Congress is raising concerns about this proposed merger. In an August 14, 2018 [news release](#), Senator Chuck Grassley (R-IA) who is Chairman of the Senate Judiciary Committee wrote a letter to Assistant Attorney General for Antitrust Makan Delrahim requesting that the Department of Justice conduct a vigorous review of the proposed mergers of Cigna Corp. with Express Scripts Holding Co., and CVS Health Corp. with Aetna Inc. The letter stated:

“Over the past several years, consumers have faced substantial increases in drug prices across the board. . . Part of Congress’s role is to encourage new strategies and experimentation among these market participants to drive down drug prices. To that end, vertical integration, like the proposed transactions, can often result in increased efficiencies and consumer benefits, and should be evaluated accordingly,” Grassley wrote. “Such integration, however, can also lead to increased barriers to entry for competition in each standalone market. As such, we must ensure that these transactions do not foreclose competition and consumer access, or hinder innovation, especially in underserved rural areas.”

We at NPSC and I as a pharmacist strongly oppose the merger of CVS and Aetna. We hear from pharmacies constantly about the unfair business practices that PBMs have leveled against pharmacies for a number of years due to lack of transparency requirements nationwide. This current business environment has already led to a strain on patient access and a downward spiral of adequate and fair reimbursement for pharmacies. I believe that if approved this proposed merger would further exacerbate the problem, which will ultimately result in increased prescription drug prices, reduced provider and patient choice and a stifling of innovation in Medicare Part D stand-alone prescription drug plans, pharmacy benefit management services, health insurance, and retail pharmacy.

Thank you for your attention to this matter.

Respectfully,

David Benoit, MHP, RPh
VP, Patient Care Services
Northeast Pharmacy Service Corporation

Peter Mucchetti, Chief
Healthcare and Consumer Products Section, Antitrust Division
Department of Justice
450 Fifth Street NW, Suite 4100
Washington, DC 20530

December 10, 2018

Re: CVS-Aetna Proposed Merger

Dear Mr. Mucchetti,

My name is Gus Campos. I am an independent pharmacy owner and pharmacist. As one of the numerous independent community pharmacies that will likely be affected, I am writing this letter to voice my opposition to the CVS-Aetna merger.

First I would like to point out that I agree with California Insurance Commissioner Dave Jones, who published his opposition to the proposed CVS-Aetna merger on August 1, 2018. Specifically he stated:

"The proposed merger of CVS and Aetna will significantly reduce competition in the PBM and Medicare Part D markets, affecting millions of health care consumers throughout the country. A merger of this size and type, according to experts on health insurer and health care mergers, will likely lead to increased prices and decreased quality. Further, partial divestiture or other remedies traditionally used by the Department of Justice will not adequately protect consumers or address the adverse consequences of a merger of CVS and Aetna. Traditional methods to avoid market concentration will not address potential impacts on service quality, the power to charge excessive rates, or the creation of barriers to block a potential market participant with the resources to enter into new markets."¹

I believe that this proposed \$69 billion merger would lead to a "significant reduction" of market competition in both the pharmacy benefit manager (PBM) services market as well as the Medicare Part D prescription drug plan market for seniors. For example Mr. Jones pointed to the fact that nationally Aetna has a 9 percent market share among Part D plans while CVS Health has a 24 percent market share, with significant geographical market overlap. If the merger is allowed to proceed, Aetna would sell its Medicare Part D clients to Wellcare who is a client of CVS. This goes to show that the increasing market concentration that we are witnessing in the payer industry would reduce competition of Medicare Part D plans for senior consumers and would likely result in a significant uptick in Part D premiums. This would be

¹ California Insurance Commissioner Dave Jones urges U.S. Justice Department to block merger of CVS and Aetna, August 1, 2018 <http://www.insurance.ca.gov/0400-news/0100-press-releases/2018/release085-18.cfm>

detrimental for patient access to much needed medications, especially for those seniors on fixed incomes that would have a difficult time adjusting to increased prices.

Additionally, with the increased mergers we have witnessed between payers and PBMs, this proposed merger if allowed will put the insurance market at a "tipping point," where it will put insurers that don't own their own PBM at a significant market disadvantage.

Lastly, I would like to point out that Congress is raising concerns about this proposed merger. In an August 14, 2018 news release, Senator Chuck Grassley (R-IA) who is Chairman of the Senate Judiciary Committee wrote a letter to Assistant Attorney General for Antitrust Makan Delrahim requesting that the Department of Justice conduct a vigorous review of the proposed mergers of Cigna Corp. with Express Scripts Holding Co., and CVS Health Corp. with Aetna Inc. The letter stated:

"Over the past several years, consumers have faced substantial increases in drug prices across the board. . . Part of Congress's role is to encourage new strategies and experimentation among these market participants to drive down drug prices. To that end, vertical integration, like the proposed transactions, can often result in increased efficiencies and consumer benefits, and should be evaluated accordingly," Grassley wrote. "Such integration, however, can also lead to increased barriers to entry for competition in each standalone market. As such, we must ensure that these transactions do not foreclose competition and consumer access, or hinder innovation, especially in underserved rural areas."

As an independent pharmacy owner and pharmacist, I strongly oppose the merger of CVS and Aetna. This current business environment has already led to a strain on patient access and a downward spiral of adequate and fair reimbursement for pharmacies. I believe that if approved this proposed merger would further exacerbate the problem, which will ultimately result in increased prescription drug prices, reduced provider and patient choice and a stifling of innovation in Medicare Part D stand-alone prescription drug plans, pharmacy benefit management services, health insurance, and retail pharmacy.

Thank you for your attention to this matter.

Respectfully,



Gus Campos, PharmD
Beacon Prescriptions

[REDACTED]
[REDACTED]



Peter Mucchetti, Chief
Healthcare and Consumer Products Section, Antitrust Division
Department of Justice
450 Fifth Street NW, Suite 4100
Washington, DC 20530

December 7, 2018

Re: CVS-Aetna Proposed Merger

Dear Mr. Mucchetti,

My name is Thomas Cory. I am a pharmacist for thirty nine years, I currently am the owner/operator of Standard Pharmacy located in Fall River Massachusetts. Standard Pharmacy has been providing care to our neighborhood for 99 years. I am writing this letter to voice my opposition to the CVS-Aetna merger.

First I would like to point out the we agree with California Insurance Commissioner Dave Jones, who published his opposition to the proposed CVS-Aetna merger on August 1, 2018. Specifically he stated:

"The proposed merger of CVS and Aetna will significantly reduce competition in the PBM and Medicare Part D markets, affecting millions of health care consumers throughout the country, A merger of this size and type, according to experts on health insurer and health care mergers, will likely lead to increased prices and decreased quality. Further, partial divestiture or other remedies traditionally used by the Department of Justice will not adequately protect consumers or address the adverse consequences of a merger of CVS and Aetna. Traditional methods to avoid market concentration will not address potential impacts on service quality, the power to charge excessive rates, or the creation of barriers to block a potential market participant with the resources to enter into new markets."¹

I believe that this proposed \$69 billion merger would lead to a "significant reduction" of market competition in both the pharmacy benefit manager (PBM) services market as well as the Medicare Part D prescription drug plan market for seniors. For example Mr. Jones pointed to the fact that nationally Aetna has a 9 percent market share among Part D plans while CVS Health has a 24 percent market share, with significant geographical market overlap. If the merger is allowed to proceed, Aetna would sell its Medicare Part D clients to Wellcare who is a

¹ California Insurance Commissioner Dave Jones urges U.S. Justice Department to block merger of CVS and Aetna, August 1, 2018 <http://www.insurance.ca.gov/0400-news/0100-press-releases/2018/release085-18.cfm>



client of CVS. This goes to show that the increasing market concentration that we are witnessing in the payer industry would reduce competition of Medicare Part D plans for senior consumers and would likely result in a significant uptick in Part D premiums. This would be detrimental for patient access to much needed medications, especially for those seniors on fixed incomes that would have a difficult time adjusting to increased prices.

Additionally, with the increased mergers we have witnessed between payers and PBMs, this proposed merger if allowed will put the insurance market at a "tipping point," where it will put insurers that don't own their own PBM at a significant market disadvantage.

Lastly, I would like to point out that Congress is raising concerns about this proposed merger. In an August 14, 2018 [news release](#), Senator Chuck Grassley (R-IA) who is Chairman of the Senate Judiciary Committee wrote a letter to Assistant Attorney General for Antitrust Makan Delrahim requesting that the Department of Justice conduct a vigorous review of the proposed mergers of Cigna Corp. with Express Scripts Holding Co., and CVS Health Corp. with Aetna Inc. The letter stated:

"Over the past several years, consumers have faced substantial increases in drug prices across the board. . . Part of Congress's role is to encourage new strategies and experimentation among these market participants to drive down drug prices. To that end, vertical integration, like the proposed transactions, can often result in increased efficiencies and consumer benefits, and should be evaluated accordingly," Grassley wrote. "Such integration, however, can also lead to increased barriers to entry for competition in each standalone market. As such, we must ensure that these transactions do not foreclose competition and consumer access, or hinder innovation, especially in underserved rural areas."

I as a pharmacist strongly oppose the merger of CVS and Aetna. I hear from other pharmacies constantly about the unfair business practices that PBMs have leveled against pharmacies for a number of years due to lack of transparency requirements nationwide. This current business environment has already led to a strain on patient access and a downward spiral of adequate and fair reimbursement for pharmacies. I believe that if approved this proposed merger would further exacerbate the problem, which will ultimately result in increased prescription drug prices, reduced provider and patient choice and a stifling of innovation in Medicare Part D stand-alone prescription drug plans, pharmacy benefit management services, health insurance, and retail pharmacy.

Thank you for your attention to this matter.

Respectfully,

Thomas Cory, RPh
Pharmacy Manager/ Owner

Peter Mucchetti, Chief
Healthcare and Consumer Products Section, Antitrust Division
Department of Justice
450 Fifth Street NW, Suite 4100
Washington, DC 20530

December 7, 2018

Re: CVS-Aetna Proposed Merger

Dear Mr. Mucchetti,

My name is Michele LeBlanc. I am a pharmacist for over twenty years and I am the owner of independent community pharmacy in Madison, Maine. I am writing this letter to voice my opposition to the CVS-Aetna merger.

First I would like to point out the I agree with California Insurance Commissioner Dave Jones, who published his opposition to the proposed CVS-Aetna merger on August 1, 2018. Specifically he stated:

*"The proposed merger of CVS and Aetna will significantly reduce competition in the PBM and Medicare Part D markets, affecting millions of health care consumers throughout the country, A merger of this size and type, according to experts on health insurer and health care mergers, will likely lead to increased prices and decreased quality. Further, partial divestiture or other remedies traditionally used by the Department of Justice will not adequately protect consumers or address the adverse consequences of a merger of CVS and Aetna. Traditional methods to avoid market concentration will not address potential impacts on service quality, the power to charge excessive rates, or the creation of barriers to block a potential market participant with the resources to enter into new markets."*¹

I believe that this proposed \$69 billion merger would lead to a "significant reduction" of market competition in both the pharmacy benefit manager (PBM) services market as well as the Medicare Part D prescription drug plan market for seniors. For example Mr. Jones pointed to the fact that nationally Aetna has a 9 percent market share among Part D plans while CVS Health has a 24 percent market share, with significant geographical market overlap. If the merger is allowed to proceed, Aetna would sell its Medicare Part D clients to Wellcare who is a client of CVS. This goes to show that the increasing market concentration that we are witnessing in the payer industry would reduce competition of Medicare Part D plans for senior consumers and would likely result in a significant uptick in Part D premiums. This would be detrimental for patient access to much needed medications, especially for those seniors on fixed incomes that would have a difficult time adjusting to increased prices.

¹ California Insurance Commissioner Dave Jones urges U.S. Justice Department to block merger of CVS and Aetna, August 1, 2018
<http://www.insurance.ca.gov/0400-news/0100-press-releases/2018/release085-18.cfm>

I would also like to point out that Congress is raising concerns about this proposed merger. In an August 14, 2018 [news release](#), Senator Chuck Grassley (R-IA) who is Chairman of the Senate Judiciary Committee wrote a letter to Assistant Attorney General for Antitrust Makan Delrahim requesting that the Department of Justice conduct a vigorous review of the proposed mergers of Cigna Corp. with Express Scripts Holding Co., and CVS Health Corp. with Aetna Inc. The letter stated:

“Over the past several years, consumers have faced substantial increases in drug prices across the board. . . Part of Congress’s role is to encourage new strategies and experimentation among these market participants to drive down drug prices. To that end, vertical integration, like the proposed transactions, can often result in increased efficiencies and consumer benefits, and should be evaluated accordingly,” Grassley wrote. “Such integration, however, can also lead to increased barriers to entry for competition in each standalone market. As such, we must ensure that these transactions do not foreclose competition and consumer access, or hinder innovation, especially in underserved rural areas.”

I as a pharmacist and pharmacy owner strongly oppose the merger of CVS and Aetna. My pharmacy is constantly battling unfair business practices that PBMs have leveled against pharmacies for a number of years due to lack of transparency requirements nationwide. This current business environment has already led to a strain on patient access and a downward spiral of adequate and fair reimbursement for pharmacies. I believe that if approved this proposed merger would further exacerbate the problem, which will ultimately result in increased prescription drug prices, reduced provider and patient choice and a stifling of innovation in Medicare Part D stand-alone prescription drug plans, pharmacy benefit management services, health insurance, and retail pharmacy.

Thank you for your attention to this matter.

Respectfully,



Michele LeBlanc, RPh

Owner

Taylor’s Drug Store

Madison, Maine



TOWNE APOTHECARY

95 MAIN STREET SOUTH • P.O. BOX 9 • BETHLEHEM, CT 06751 • PHONE: 203 266-7801 • FAX: 203 266-5321

Peter Mucchetti, Chief
Healthcare and Consumer Products Section, Antitrust Division
Department of Justice
450 Fifth Street NW, Suite 4100
Washington, DC 20530

December 7, 2018

Re: CVS-Aetna Proposed Merger

Dear Mr. Mucchetti,

My name is Ken Meady. I am a pharmacist and for over forty years, I have worked in the business of independent community pharmacy. I am writing this letter to voice my opposition to the CVS-Aetna merger.

First I would like to point out that I agree with California Insurance Commissioner Dave Jones, who published his opposition to the proposed CVS-Aetna merger on August 1, 2018. Specifically he stated:

"The proposed merger of CVS and Aetna will significantly reduce competition in the PBM and Medicare Part D markets, affecting millions of health care consumers throughout the country. A merger of this size and type, according to experts on health insurer and health care mergers, will likely lead to increased prices and decreased quality. Further, partial divestiture or other remedies traditionally used by the Department of Justice will not adequately protect consumers or address the adverse consequences of a merger of CVS and Aetna. Traditional methods to avoid market concentration will not address potential impacts on service quality, the power to charge excessive rates, or the creation of barriers to block a potential market participant with the resources to enter into new markets."¹

I believe that this proposed \$69 billion merger would lead to a "significant reduction" of market competition in both the pharmacy benefit manager (PBM) services market as well as the Medicare Part D prescription drug plan market for seniors. For example Mr. Jones pointed to the fact that nationally Aetna has a 9 percent market share among Part D plans while CVS Health has a 24 percent market share, with significant geographical market overlap. If the

¹ California Insurance Commissioner Dave Jones urges U.S. Justice Department to block merger of CVS and Aetna, August 1, 2018 <http://www.insurance.ca.gov/0400-news/0100-press-releases/2018/release085-18.cfm>

merger is allowed to proceed, Aetna would sell its Medicare Part D clients to Wellcare who is a client of CVS. This goes to show that the increasing market concentration that we are witnessing in the payer industry would reduce competition of Medicare Part D plans for senior consumers and would likely result in a significant uptick in Part D premiums. This would be detrimental for patient access to much needed medications, especially for those seniors on fixed incomes that would have a difficult time adjusting to increased prices.

Additionally, with the increased mergers I have witnessed between payers and PBMs, this proposed merger if allowed will put the insurance market at a "tipping point," where it will put insurers that don't own their own PBM at a significant market disadvantage.

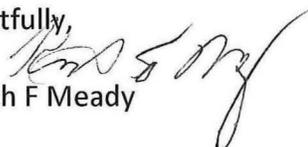
Lastly, I would like to point out that Congress is raising concerns about this proposed merger. In an August 14, 2018 news release, Senator Chuck Grassley (R-IA) who is Chairman of the Senate Judiciary Committee wrote a letter to Assistant Attorney General for Antitrust Makan Delrahim requesting that the Department of Justice conduct a vigorous review of the proposed mergers of Cigna Corp. with Express Scripts Holding Co., and CVS Health Corp. with Aetna Inc. The letter stated:

"Over the past several years, consumers have faced substantial increases in drug prices across the board. . . Part of Congress's role is to encourage new strategies and experimentation among these market participants to drive down drug prices. To that end, vertical integration, like the proposed transactions, can often result in increased efficiencies and consumer benefits, and should be evaluated accordingly," Grassley wrote. "Such integration, however, can also lead to increased barriers to entry for competition in each standalone market. As such, we must ensure that these transactions do not foreclose competition and consumer access, or hinder innovation, especially in underserved rural areas."

I as a pharmacist strongly oppose the merger of CVS and Aetna. We hear from pharmacies constantly about the unfair business practices that PBMs have leveled against pharmacies for a number of years due to lack of transparency requirements nationwide. This current business environment has already led to a strain on patient access and a downward spiral of adequate and fair reimbursement for pharmacies. I believe that if approved this proposed merger would further exacerbate the problem, which will ultimately result in increased prescription drug prices, reduced provider and patient choice and a stifling of innovation in Medicare Part D stand-alone prescription drug plans, pharmacy benefit management services, health insurance, and retail pharmacy.

Thank you for your attention to this matter.

Respectfully,


Kenneth F Meady

Owner

Towne Apothecary LLC



**Standard Pharmacy
@ Healthfirst**

Peter Mucchetti, Chief
Healthcare and Consumer Products Section, Antitrust Division
Department of Justice
450 Fifth Street NW, Suite 4100
Washington, DC 20530

December 7, 2018

Re: CVS-Aetna Proposed Merger

Dear Mr. Mucchetti,

My name is Brian Meneses, Pharm D. I am a pharmacist for nine years, I currently am the owner/operator of Standard Pharmacy @ Healthfirst, located in Fall River Massachusetts. Standard Pharmacy @ HealthFirst is a partner pharmacy in the HealthFirst Family Care Center and has been providing care to our neighborhood for over 7 years. I am writing this letter to voice my opposition to the CVS-Aetna merger.

First I would like to point out the we agree with California Insurance Commissioner Dave Jones, who published his opposition to the proposed CVS-Aetna merger on August 1, 2018. Specifically he stated:

"The proposed merger of CVS and Aetna will significantly reduce competition in the PBM and Medicare Part D markets, affecting millions of health care consumers throughout the country, A merger of this size and type, according to experts on health insurer and health care mergers, will likely lead to increased prices and decreased quality. Further, partial divestiture or other remedies traditionally used by the Department of Justice will not adequately protect consumers or address the adverse consequences of a merger of CVS and Aetna. Traditional methods to avoid market concentration will not address potential impacts on service quality, the power to charge excessive rates, or the creation of barriers to block a potential market participant with the resources to enter into new markets."¹

I believe that this proposed \$69 billion merger would lead to a "significant reduction" of market competition in both the pharmacy benefit manager (PBM) services market as well as the Medicare Part D prescription drug plan market for seniors. For example Mr. Jones pointed to the fact that nationally Aetna has a 9 percent market share among Part D plans while CVS

¹ California Insurance Commissioner Dave Jones urges U.S. Justice Department to block merger of CVS and Aetna, August 1, 2018 <http://www.insurance.ca.gov/0400-news/0100-press-releases/2018/release085-18.cfm>



Standard Pharmacy @ Healthfirst

Health has a 24 percent market share, with significant geographical market overlap. If the merger is allowed to proceed, Aetna would sell its Medicare Part D clients to Wellcare who is a client of CVS. This goes to show that the increasing market concentration that we are witnessing in the payer industry would reduce competition of Medicare Part D plans for senior consumers and would likely result in a significant uptick in Part D premiums. This would be detrimental for patient access to much needed medications, especially for those seniors on fixed incomes that would have a difficult time adjusting to increased prices.

Additionally, with the increased mergers we have witnessed between payers and PBMs, this proposed merger if allowed will put the insurance market at a "tipping point," where it will put insurers that don't own their own PBM at a significant market disadvantage.

Lastly, I would like to point out that Congress is raising concerns about this proposed merger. In an August 14, 2018 [news release](#), Senator Chuck Grassley (R-IA) who is Chairman of the Senate Judiciary Committee wrote a letter to Assistant Attorney General for Antitrust Makan Delrahim requesting that the Department of Justice conduct a vigorous review of the proposed mergers of Cigna Corp. with Express Scripts Holding Co., and CVS Health Corp. with Aetna Inc. The letter stated:

"Over the past several years, consumers have faced substantial increases in drug prices across the board. . . Part of Congress's role is to encourage new strategies and experimentation among these market participants to drive down drug prices. To that end, vertical integration, like the proposed transactions, can often result in increased efficiencies and consumer benefits, and should be evaluated accordingly," Grassley wrote. "Such integration, however, can also lead to increased barriers to entry for competition in each standalone market. As such, we must ensure that these transactions do not foreclose competition and consumer access, or hinder innovation, especially in underserved rural areas."

I as a pharmacist strongly oppose the merger of CVS and Aetna. I hear from other pharmacies constantly about the unfair business practices that PBMs have leveled against pharmacies for a number of years due to lack of transparency requirements nationwide. This current business environment has already led to a strain on patient access and a downward spiral of adequate and fair reimbursement for pharmacies. I believe that if approved this proposed merger would further exacerbate the problem, which will ultimately result in increased prescription drug prices, reduced provider and patient choice and a stifling of innovation in Medicare Part D stand-alone prescription drug plans, pharmacy benefit management services, health insurance, and retail pharmacy.

Thank you for your attention to this matter.

Respectfully,

Brian C. Meneses, Pharm D
Pharmacy Manager/ Owner

387 Quarry Street, Fall River
In the Great State of Massachusetts 02723-1007
Tel: (774) 332-1335

EIN 45-274-9115 NABP 2243626 NPI 169-905-6820



December 10, 2018

Dear Mr. Mucchetti,

My name is Matthew Olivier. I am a pharmacist and pharmacy owner, just last year I opened Matt's Local Pharmacy in Middletown, RI. I work with the Northeast Pharmacy Service Corporation (NPSC), a group purchasing organization. On behalf of NPSC and the over 280 participating independent community pharmacies we represent, I am writing this letter to voice our opposition to the CVS-Aetna merger.

First we would like to point out that we agree with California Insurance Commissioner Dave Jones, who published his opposition to the proposed CVS-Aetna merger on August 1, 2018. Specifically he stated:

*"The proposed merger of CVS and Aetna will significantly reduce competition in the PBM and Medicare Part D markets, affecting millions of health care consumers throughout the country. A merger of this size and type, according to experts on health insurer and health care mergers, will likely lead to increased prices and decreased quality. Further, partial divestiture or other remedies traditionally used by the Department of Justice will not adequately protect consumers or address the adverse consequences of a merger of CVS and Aetna. Traditional methods to avoid market concentration will not address potential impacts on service quality, the power to charge excessive rates, or the creation of barriers to block a potential market participant with the resources to enter into new markets."*¹

We at NPSC believe that this proposed \$69 billion merger would lead to a "significant reduction" of market competition in both the pharmacy benefit manager (PBM) services market as well as the Medicare Part D prescription drug plan market for seniors. For example Mr. Jones pointed to the fact that nationally Aetna has a 9 percent market share among Part D plans while CVS Health has a 24 percent market share, with significant geographical market overlap. If the merger is allowed to proceed, Aetna would sell its Medicare Part D clients to Wellcare who is a client of CVS. This goes to show that the increasing market concentration that we are witnessing in the payer industry would reduce competition of Medicare Part D plans for senior consumers and would likely result in a significant uptick in Part D premiums. This would be detrimental for patient access to much needed medications, especially for those seniors on fixed incomes that would have a difficult time adjusting to increased prices.

¹ California Insurance Commissioner Dave Jones urges U.S. Justice Department to block merger of CVS and Aetna, August 1, 2018

<http://www.insurance.ca.gov/0400-news/0100-press-releases/2018/release085-18.cfm>

Additionally, with the increased mergers we have witnessed between payers and PBMs, this proposed merger if allowed will put the insurance market at a "tipping point," where it will put insurers that don't own their own PBM at a significant market disadvantage.

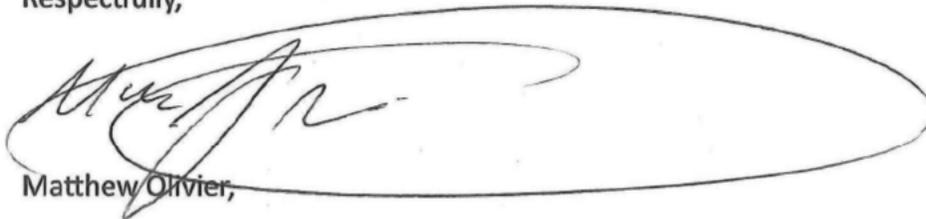
Lastly, we would like to point out that Congress is raising concerns about this proposed merger. In an August 14, 2018 [news release](#), Senator Chuck Grassley (R-IA) who is Chairman of the Senate Judiciary Committee wrote a letter to Assistant Attorney General for Antitrust Makan Delrahim requesting that the Department of Justice conduct a vigorous review of the proposed mergers of Cigna Corp. with Express Scripts Holding Co., and CVS Health Corp. with Aetna Inc. The letter stated:

"Over the past several years, consumers have faced substantial increases in drug prices across the board. . . Part of Congress's role is to encourage new strategies and experimentation among these market participants to drive down drug prices. To that end, vertical integration, like the proposed transactions, can often result in increased efficiencies and consumer benefits, and should be evaluated accordingly," Grassley wrote. "Such integration, however, can also lead to increased barriers to entry for competition in each standalone market. As such, we must ensure that these transactions do not foreclose competition and consumer access, or hinder innovation, especially in underserved rural areas."

We at NPSC and I as a pharmacist strongly oppose the merger of CVS and Aetna. We hear from pharmacies constantly about the unfair business practices that PBMs have leveled against pharmacies for a number of years due to lack of transparency requirements nationwide. This current business environment has already led to a strain on patient access and a downward spiral of adequate and fair reimbursement for pharmacies. I believe that if approved this proposed merger would further exacerbate the problem, which will ultimately result in increased prescription drug prices, reduced provider and patient choice and a stifling of innovation in Medicare Part D stand-alone prescription drug plans, pharmacy benefit management services, health insurance, and retail pharmacy.

Thank you for your attention to this matter.

Respectfully,

A handwritten signature in black ink, appearing to read "Matthew Olivier", is enclosed within a large, hand-drawn oval. The signature is fluid and cursive.

Matthew Olivier,

Matt's Local Pharmacy

[REDACTED]
[REDACTED]

Peter Mucchetti, Chief
Healthcare and Consumer Products Section, Antitrust Division
Department of Justice
450 Fifth Street NW, Suite 4100
Washington, DC 20530

December 10, 2018

Re: CVS-Aetna Proposed Merger

Dear Mr. Mucchetti,

My name is Karen Ragonese. I am a pharmacist and for over thirty five years have worked in an independent family owned business environment at Towne Pharmacy with my father and over the past 15 years, on my own. On behalf of Towne Pharmacy and its employees, Northeast Pharmacy Services Corporation (NPSC) and over 280 participating independent community pharmacies in New England, I am writing this letter to voice our opposition to the CVS-Aetna merger.

First we would like to point out that we agree with California Insurance Commissioner Dave Jones, who published his opposition to the proposed CVS-Aetna merger on August 1, 2018. Specifically he stated:

*"The proposed merger of CVS and Aetna will significantly reduce competition in the PBM and Medicare Part D markets, affecting millions of health care consumers throughout the country. A merger of this size and type, according to experts on health insurer and health care mergers, will likely lead to increased prices and decreased quality. Further, partial divestiture or other remedies traditionally used by the Department of Justice will not adequately protect consumers or address the adverse consequences of a merger of CVS and Aetna. Traditional methods to avoid market concentration will not address potential impacts on service quality, the power to charge excessive rates, or the creation of barriers to block a potential market participant with the resources to enter into new markets."*¹

We at all believe that this proposed \$69 billion merger would lead to a "significant reduction" of market competition in both the pharmacy benefit manager (PBM) services market as well as the Medicare Part D prescription drug plan market for seniors. For example Mr. Jones pointed to the fact that nationally Aetna has a 9 percent market share among Part D plans while CVS Health has a 24 percent market share, with significant geographical market overlap. If the merger is allowed to proceed, Aetna would sell its Medicare Part D clients to Wellcare who is a client of CVS. This goes to show that the increasing market concentration that we are

¹ California Insurance Commissioner Dave Jones urges U.S. Justice Department to block merger of CVS and Aetna, August 1, 2018 <http://www.insurance.ca.gov/0400-news/0100-press-releases/2018/release085-18.cfm>

witnessing in the payer industry would reduce competition of Medicare Part D plans for senior consumers and would likely result in a significant uptick in Part D premiums. This would be detrimental for patient access to much needed medications, especially for those seniors on fixed incomes that would have a difficult time adjusting to increased prices.

Additionally, with the increased mergers we have witnessed between payers and PBMs, this proposed merger if allowed will put the insurance market at a "tipping point," where it will put insurers that don't own their own PBM at a significant market disadvantage.

Lastly, we would like to point out that Congress is raising concerns about this proposed merger. In an August 14, 2018 news release, Senator Chuck Grassley (R-IA) who is Chairman of the Senate Judiciary Committee wrote a letter to Assistant Attorney General for Antitrust Makan Delrahim requesting that the Department of Justice conduct a vigorous review of the proposed mergers of Cigna Corp. with Express Scripts Holding Co., and CVS Health Corp. with Aetna Inc. The letter stated:

"Over the past several years, consumers have faced substantial increases in drug prices across the board. . . Part of Congress's role is to encourage new strategies and experimentation among these market participants to drive down drug prices. To that end, vertical integration, like the proposed transactions, can often result in increased efficiencies and consumer benefits, and should be evaluated accordingly," Grassley wrote. "Such integration, however, can also lead to increased barriers to entry for competition in each standalone market. As such, we must ensure that these transactions do not foreclose competition and consumer access, or hinder innovation, especially in underserved rural areas."

We at NPSC and I as a pharmacist strongly oppose the merger of CVS and Aetna. I hear from pharmacies constantly about the unfair business practices that PBMs have leveled against pharmacies for a number of years due to lack of transparency requirements nationwide. This current business environment has already led to a strain on patient access and a downward spiral of adequate and fair reimbursement for pharmacies. I believe that if approved this proposed merger would further exacerbate the problem, which will ultimately result in increased prescription drug prices, reduced provider and patient choice and a stifling of innovation in Medicare Part D stand-alone prescription drug plans, pharmacy benefit management services, health insurance, and retail pharmacy.

Thank you for your attention to this matter.

Respectfully,



Karen Ragonese, RPh
Pharmacist / President-Owner
Towne Pharmacy

[Redacted]
[Redacted]

Peter Mucchetti, Chief
 Healthcare and Consumer Products Section, Antitrust Division
 Department of Justice
 450 Fifth Street NW, Suite 4100
 Washington, DC 20530

December 7, 2018

Re: CVS-Aetna Proposed Merger

Dear Mr. Mucchetti,

My name is Gerald Ringel. I am a pharmacist and for over twenty years, I have worked in the business of independent community pharmacy at Northeast Pharmacy Service Corporation (NPSC), a group purchasing organization. On behalf of NPSC and the over 280 participating independent community pharmacies we represent, I am writing this letter to voice our opposition to the CVS-Aetna merger.

First we would like to point out the we agree with California Insurance Commissioner Dave Jones, who published his opposition to the proposed CVS-Aetna merger on August 1, 2018. Specifically he stated:

*"The proposed merger of CVS and Aetna will significantly reduce competition in the PBM and Medicare Part D markets, affecting millions of health care consumers throughout the country. A merger of this size and type, according to experts on health insurer and health care mergers, will likely lead to increased prices and decreased quality. Further, partial divestiture or other remedies traditionally used by the Department of Justice will not adequately protect consumers or address the adverse consequences of a merger of CVS and Aetna. Traditional methods to avoid market concentration will not address potential impacts on service quality, the power to charge excessive rates, or the creation of barriers to block a potential market participant with the resources to enter into new markets."*¹

We at NPSC believe that this proposed \$69 billion merger would lead to a "significant reduction" of market competition in both the pharmacy benefit manager (PBM) services market as well as the Medicare Part D prescription drug plan market for seniors. For example Mr. Jones pointed to the fact that nationally Aetna has a 9 percent market share among Part D plans while CVS Health has a 24 percent market share, with significant geographical market overlap. If the merger is allowed to proceed, Aetna would sell its Medicare Part D clients to Wellcare who is a client of CVS. This goes to show that the increasing market concentration that we are witnessing in the payer industry would reduce competition of Medicare Part D plans for

¹ California Insurance Commissioner Dave Jones urges U.S. Justice Department to block merger of CVS and Aetna, August 1, 2018 <http://www.insurance.ca.gov/0400-news/0100-press-releases/2018/release085-18.cfm>

senior consumers and would likely result in a significant uptick in Part D premiums. This would be detrimental for patient access to much needed medications, especially for those seniors on fixed incomes that would have a difficult time adjusting to increased prices.

Additionally, with the increased mergers we have witnessed between payers and PBMs, this proposed merger if allowed will put the insurance market at a "tipping point," where it will put insurers that don't own their own PBM at a significant market disadvantage.

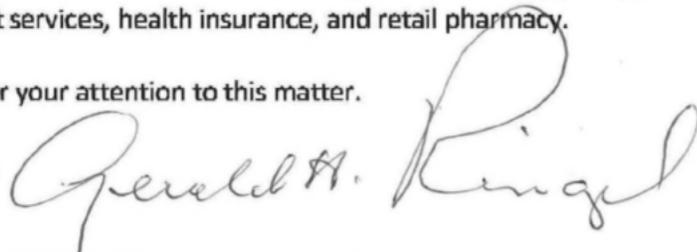
Lastly, we would like to point out that Congress is raising concerns about this proposed merger. In an August 14, 2018 news release, Senator Chuck Grassley (R-IA) who is Chairman of the Senate Judiciary Committee wrote a letter to Assistant Attorney General for Antitrust Makan Delrahim requesting that the Department of Justice conduct a vigorous review of the proposed mergers of Cigna Corp. with Express Scripts Holding Co., and CVS Health Corp. with Aetna Inc. The letter stated:

"Over the past several years, consumers have faced substantial increases in drug prices across the board. . . Part of Congress's role is to encourage new strategies and experimentation among these market participants to drive down drug prices. To that end, vertical integration, like the proposed transactions, can often result in increased efficiencies and consumer benefits, and should be evaluated accordingly," Grassley wrote. "Such integration, however, can also lead to increased barriers to entry for competition in each standalone market. As such, we must ensure that these transactions do not foreclose competition and consumer access, or hinder innovation, especially in underserved rural areas."

We at NPSC and I as a pharmacist strongly oppose the merger of CVS and Aetna. We hear from pharmacies constantly about the unfair business practices that PBMs have leveled against pharmacies for a number of years due to lack of transparency requirements nationwide. This current business environment has already led to a strain on patient access and a downward spiral of adequate and fair reimbursement for pharmacies. I believe that if approved this proposed merger would further exacerbate the problem, which will ultimately result in increased prescription drug prices, reduced provider and patient choice and a stifling of innovation in Medicare Part D stand-alone prescription drug plans, pharmacy benefit management services, health insurance, and retail pharmacy.

Thank you for your attention to this matter.

Respectfully,




Switzer's Pharmacy Phone
 322 Pequot Road • Southport, CT
 Gerald H. Ringel, R. Ph., Mgr. 259-7891

CAUTION: Federal law prohibits the transfer of this drug to any person other than the patient for whom it was prescribed.

Ronald Serafino, Pharmacist
Serafino Pharmacy Inc.
36 North Main Street
Southington, CT 06489
(860) 628-7979

December 11, 2018

Re: CVS-Aetna Proposed Merger

Dear Mr. Mucchetti,

My name is Ronald Serafino. I have worked in the business of owning an independent community pharmacy at Serafino Pharmacy; a local family business for over sixty years and have been a pharmacist for over forty years.

Firstly, I would like to point out the I agree with California Insurance Commissioner Dave Jones, who published his opposition to the proposed CVS-Aetna merger on August 1, 2018. Specifically he stated:

"The proposed merger of CVS and Aetna will significantly reduce competition in the PBM and Medicare Part D markets, affecting millions of health care consumers throughout the country, A merger of this size and type, according to experts on health insurer and health care mergers, will likely lead to increased prices and decreased quality. Further, partial divestiture or other remedies traditionally used by the Department of Justice will not adequately protect consumers or address the adverse consequences of a merger of CVS and Aetna. Traditional methods to avoid market concentration will not address potential impacts on service quality, the power to charge excessive rates, or the creation of barriers to block a potential market participant with the resources to enter into new markets."¹

We at NPSC believe that this proposed \$69 billion merger would lead to a "significant reduction" of market competition in both the pharmacy benefit manager (PBM) services market as well as the Medicare Part D prescription drug plan market for seniors. For example Mr. Jones pointed to the fact that nationally Aetna has a 9 percent market share among Part D plans while CVS Health has a 24 percent market share, with significant geographical market overlap. If the merger is allowed to proceed, Aetna would sell its Medicare Part D clients to Wellcare who is a client of CVS. This goes to show that the increasing market concentration that we are witnessing in the payer industry would reduce competition of Medicare Part D plans for senior consumers and would likely result in a significant uptick in Part D premiums. This would

¹ California Insurance Commissioner Dave Jones urges U.S. Justice Department to block merger of CVS and Aetna, August 1, 2018 <http://www.insurance.ca.gov/0400-news/0100-press-releases/2018/release085-18.cfm>

be detrimental for patient access to much needed medications, especially for those seniors on fixed incomes that would have a difficult time adjusting to increased prices.

Additionally, The DOJ itself notes the benefits competition has brought *“Competition between [CVS and Aetna’s PDPs] has led not only to lower premiums and out-of-pocket expenses but also improved drug formularies, more attractive pharmacy networks, enhanced benefits, and innovative product features.”* (Competitive Impact Statement, pg. 5, line 2-5).

We would argue that the same concerns the DOJ expresses regarding harm to competition in the Part D plan market still exist in the market for primary care services. The DOJ states:

“Neither entry nor expansion is likely to solve the competitive problems created by the merger between CVS and Aetna. Recent entrants into individual PDP markets have been largely unsuccessful, with many subsequently exiting the market or shrinking their geographic footprint. Effective entry into the sale of individual PDPs requires years of planning, millions of dollars, access to qualified personnel, and competitive contracts with retail pharmacies and pharmaceutical manufacturers, and companies must establish sufficient scale quickly to keep their plans’ costs down. (Competitive Impact Statement, pg. 6, line 13-18).”

The merger boasts price, access, choice, and convenience. The choice is the CVS store on Main Street or Market Street. Statements by CVS CEO Larry Merlo indicate a combined CVS-Aetna would indeed execute strategies, like the ones we outlined in our earlier letter, that restrict patient options and push patients to get their care at CVS Minute Clinics, not their family doctor’s office. “Perhaps 20 percent of the retail space could be repurposed to expand Minute Clinics.... [I]t could mean more pharmacists practicing at the top of their licenses.” stated Mr. Merlo.

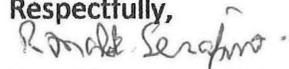
Lastly, we would like to point out that Congress is raising concerns about this proposed merger. In an August 14, 2018 [news release](#), Senator Chuck Grassley (R-IA) who is Chairman of the Senate Judiciary Committee wrote a letter to Assistant Attorney General for Antitrust Makan Delrahim requesting that the Department of Justice conduct a vigorous review of the proposed mergers of Cigna Corp. with Express Scripts Holding Co., and CVS Health Corp. with Aetna Inc. The letter stated:

“Over the past several years, consumers have faced substantial increases in drug prices across the board. . . Part of Congress’s role is to encourage new strategies and experimentation among these market participants to drive down drug prices. To that end, vertical integration, like the proposed transactions, can often result in increased efficiencies and consumer benefits, and should be evaluated accordingly,” Grassley wrote. *“Such integration, however, can also lead to increased barriers to entry for competition in each standalone market. As such, we must ensure that these transactions do not foreclose competition and consumer access, or hinder innovation, especially in underserved rural areas.”*

We at NPSC and I as a pharmacist strongly oppose the merger of CVS and Aetna. We hear from pharmacies constantly about the unfair business practices that PBMs have leveled against pharmacies for a number of years due to lack of transparency requirements nationwide. This current business environment has already led to a strain on patient access and a downward spiral of adequate and fair reimbursement for pharmacies. I believe that if approved this proposed merger would further exacerbate the problem, which will ultimately result in increased prescription drug prices, reduced provider and patient choice and a stifling of innovation in Medicare Part D stand-alone prescription drug plans, pharmacy benefit management services, health insurance, and retail pharmacy.

Thank you for your attention to this matter.

Respectfully,

A handwritten signature in cursive script that reads "Ronald Serafino".

Ronald Serafino, RPH, PD

Peter Mucchetti, Chief
Healthcare and Consumer Products Section, Antitrust Division
Department of Justice
450 Fifth Street NW, Suite 4100
Washington, DC 20530

December 8, 2018

Re: CVS-Aetna Proposed Merger

Dear Mr. Mucchetti,

Our names are Brooke van Eeghen and Richard Wallace. We are pharmacists and owners of van Eeghen's Pharmacy, a small independent pharmacy in Cranston, RI. We are writing this letter to voice our opposition to the CVS-Aetna merger.

First we would like to point out that we agree with California Insurance Commissioner Dave Jones, who published his opposition to the proposed CVS-Aetna merger on August 1, 2018. Specifically he stated:

"The proposed merger of CVS and Aetna will significantly reduce competition in the PBM and Medicare Part D markets, affecting millions of health care consumers throughout the country. A merger of this size and type, according to experts on health insurer and health care mergers, will likely lead to increased prices and decreased quality. Further, partial divestiture or other remedies traditionally used by the Department of Justice will not adequately protect consumers or address the adverse consequences of a merger of CVS and Aetna. Traditional methods to avoid market concentration will not address potential impacts on service quality, the power to charge excessive rates, or the creation of barriers to block a potential market participant with the resources to enter into new markets."¹

We believe that this proposed \$69 billion merger would lead to a "significant reduction" of market competition in both the pharmacy benefit manager (PBM) services market as well as the Medicare Part D prescription drug plan market for seniors. For example Mr. Jones pointed to the fact that nationally Aetna has a 9 percent market share among Part D plans while CVS Health has a 24 percent market share, with significant geographical market overlap. If the merger is allowed to proceed, Aetna would sell its Medicare Part D clients to Wellcare who is a client of CVS. This goes to show that the increasing market concentration that we are witnessing in the payer industry would reduce competition of Medicare Part D plans for senior consumers and would likely result in a significant uptick in Part D premiums. This would be

¹ California Insurance Commissioner Dave Jones urges U.S. Justice Department to block merger of CVS and Aetna, August 1, 2018 <http://www.insurance.ca.gov/0400-news/0100-press-releases/2018/release085-18.cfm>

detrimental for patient access to much needed medications, especially for those seniors on fixed incomes that would have a difficult time adjusting to increased prices.

Additionally, with the increased mergers we have witnessed between payers and PBMs, this proposed merger if allowed will put the insurance market at a "tipping point," where it will put insurers that don't own their own PBM at a significant market disadvantage.

Lastly, we would like to point out that Congress is raising concerns about this proposed merger. In an August 14, 2018 [news release](#), Senator Chuck Grassley (R-IA) who is Chairman of the Senate Judiciary Committee wrote a letter to Assistant Attorney General for Antitrust Makan Delrahim requesting that the Department of Justice conduct a vigorous review of the proposed mergers of Cigna Corp. with Express Scripts Holding Co., and CVS Health Corp. with Aetna Inc. The letter stated:

"Over the past several years, consumers have faced substantial increases in drug prices across the board. . . Part of Congress's role is to encourage new strategies and experimentation among these market participants to drive down drug prices. To that end, vertical integration, like the proposed transactions, can often result in increased efficiencies and consumer benefits, and should be evaluated accordingly," Grassley wrote. "Such integration, however, can also lead to increased barriers to entry for competition in each standalone market. As such, we must ensure that these transactions do not foreclose competition and consumer access, or hinder innovation, especially in underserved rural areas."

As pharmacists we strongly oppose the merger of CVS and Aetna. We constantly experience the unfair business practices that PBMs have leveled against us due to lack of transparency requirements nationwide. This current business environment has already led to a strain on patient access and a downward spiral of adequate and fair reimbursement for pharmacies. We believe that if approved this proposed merger would further exacerbate the problem, which will ultimately result in increased prescription drug prices, reduced provider and patient choice and a stifling of innovation in Medicare Part D stand-alone prescription drug plans, pharmacy benefit management services, health insurance, and retail pharmacy.

Thank you for your attention to this matter.

Respectfully,

Brooke van Eeghen, PharmD
Richard Wallace, PharmD
Owners
van Eeghen's Pharmacy LLC