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United States Senate

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January 3, 2023

Lieutenant General Ronald J. Place
Director, Defense Health Agency
7700 Arlington Boulevard
Suite 5101
Falls Church, VA 22042-5101

Amy Bricker
President, Express Scripts
1 Express Way
St. Louis, MO 63121

David Cordani
Chairman & CEO, Cigna Corporation
900 Cottage Grove Road
Bloomfield, CT 06002

Lieutenant General Place, Ms. Bricker, and Mr. Cordani,

I write to you all once again regarding the Defense Health Agency's (DHA) recently updated TRICARE Pharmacy Program contract, known as TPharm5, with Express Scripts Inc. (ESI).

After an unannounced and unprecedentedly early start on October 24th, TPharm5 cut 15,000 primarily rural and independent pharmacies from the TRICARE network. As you know, several Oklahoma pharmacies were cut from the TRICARE pharmacy network with no notice, communication, or ability to negotiate after decades of faithful service to TRICARE beneficiaries. Independent pharmacies being largely removed from this federal contract only reinforces a bias toward urban communities and away from family-owned small business, particularly those in rural America.

Despite your decision to temporarily re-open the TRICARE pharmacy network on November 14th, 2022 after substantial Congressional pressure, to my understanding, there have not been a substantial number of pharmacies able to rejoin the network. This is primarily due to the fact that there were very few to no changes made to contracts offered to pharmacies who were previously cut from the network as well as continued miscommunication with Pharmacy Services Administrative Organizations (PSAOs), on which many independent pharmacies rely. Pharmacies were overwhelmingly offered non-negotiable contracts with reimbursements rates far below cost that would have resulted in significant financial losses for nearly every prescription filled.

While I am certainly thankful that you decided to reopen the network, I want to emphasize that this effort, though encouraging in theory, has been overwhelmingly moot due to no real change after your additional outreach. A notion that has been brought to me by several Oklahoma pharmacies is that an offer is not legitimate if one party knows full well that the other party could not possibly accept it. The message you are relaying that certain pharmacies are actively choosing to not serve TRICARE recipients is false and harmful. I urge you to be up front about how you are actually rolling out the new contract – without negotiation, favoring large chain pharmacies and urban communities, and without real action to remedy any of the problems raised by dozens of Members of Congress.

The decisions made by DHA and ESI/Cigna in the creation of TPharm5 have resulted in thousands of active duty and retired service members losing access to their established and cherished local community pharmacies, forcing veterans to travel sometimes long distances to access their medications. These decisions are also blatantly giving an advantage to large conglomerate pharmacy chains while disadvantaging rural independent pharmacies as well as specialty pharmacies who faithfully serve specific groups of individuals. Slight financial savings are coming on the back of significant trials and frustrations for military families. In this instance, money has truly come before health of service members, which is disappointing to see in real time.

Additionally, I have sent two letters to the Defense Health Agency in the last several months with several questions for which I have yet to receive a response. I urge the DHA to promptly respond to my previous letters sent on September 29th, 2022 and October 24th, 2022.

Further, I request that you please answer the below additional questions by January 20, 2023.

1. Do you plan to re-open the TRICARE Pharmacy network at any additional point during the calendar year of 2023?
 - a. If so, what changes will you make to increase access for rural communities and independent pharmacies?
2. Please detail any changes to the pharmacy network you expect to make for the 2024 plan year.
3. Will DHA publish data detailing how changes made by TPharm5 impact pharmacy access, independent pharmacy access, and federal spending on TRICARE's prescription drug benefit?
4. How many pharmacies entered the TRICARE network after new contracts were offered on December 1st, 2022?
5. Does DHA have a mechanism in place to hear directly from TRICARE recipients with feedback about changes made to TRICARE benefits?
6. Are there significant discrepancies between contract rates offered to large chain pharmacies, pharmacies owned by ESI, and independently owned pharmacies?

While TPharm5 has officially been implemented as of December 16th, I will remain engaged with you in the days ahead. There is much work to be done in future negotiations and even more work to be done in DHA oversight and to ensure proper communication between DHA and ESI/Cigna.

I am hopeful that recently-passed oversight language included in the 2023 National Defense Authorization Act will create appropriate DHA oversight over the TRICARE pharmacy network contract. I urge you to take such responsibility seriously and I look forward to continuing legislative work to ensure proper accountability for DHA contracts that impact service members and their families as well as rural communities.

In God We Trust,

A handwritten signature in black ink, appearing to read 'James Lankford', written in a cursive style.

James Lankford
United States Senator