

# Plan Sponsors

State and Federal Government Agencies (collectively, Plan Sponsors) must negotiate transparent pharmacy benefit management agreement (“PBM Agreement”) with Pharmacy Benefit Managers (“PBMs”) to contain fast-growing drug spend and to monitor PBMs’ performance and financial arrangements. By doing so, Plan Sponsors will not only save money but also fulfill their fiduciary duties to the taxpayers. The first step in procuring transparent PBM Agreements starts with self-education through consultation with industry experts who have absolutely zero connection with PBMs and who are not incentivized by PBMs.

Frier Levitt, a national boutique Healthcare and Life Sciences law firm has been leading the charge in assisting Plan Sponsors against egregious and often abusive PBM practices. Frier Levitt’s Plan Sponsor Group works with Plan Sponsors to ensure PBM compliance with contracts and laws, providing a variety of legal services including, but not limited to, auditing PBMs, negotiating PBM Agreements, and pursuing legal action against PBMs to enforce PBM Agreement terms and conditions. Frier Levitt’s most recent success includes procuring a \$6.25 million dollar settlement for a Medicare Part D Sponsor against a PBM owned by a publicly traded company.

Frier Levitt also regularly collaborates with 3 Axis Advisors, a widely known data analytics firm that had been commissioned by Plan Sponsors to provide data points on PBM marked-up prescription claims, to better serve Plan Sponsors and their needs.

Importantly, several State Plan Sponsors have taken actions against PBMs:

- Ohio’s Attorney General, Dave Yost, filed lawsuits against OptumRx and Express Scripts after finding out that the state’s PBMs overcharged the state’s public pension fund and Medicaid Program.
- Mississippi Medicaid Officials are investigating Centene Corporation and its subsidiaries for any misrepresented pharmacy costs that could have resulted in millions of dollars in overpayments.
- Leigh County of Pennsylvania issued an audit report, which revealed that the state could’ve saved millions in rebate savings from Express Scripts.
- Broward County of Florida issued an audit report, which revealed that OptumRx did not accurately report the manufacturer rebates. The county and OptumRx settled following the audit report.

**Frier Levitt has observed troubling trends pertaining to PBM practices and the negative impact they have on Plan Sponsors. If you are a Plan Sponsor dealing with PBM contracts or are experiencing issues with a PBM, contact Frier Levitt today to speak to an attorney.**



In light of the actions taken by various State Plan Sponsors against PBMs, Frier Levitt’s Plan Sponsor Practice Group provides seminars to help educate State Plan Sponsors on self-serving revenue practices and secretive payment arrangements implemented by PBMs. Such revenue practices and payment arrangements only benefit PBMs at the expense of States, beneficiaries, and taxpayers.

Our Practice Group also provides strategies, including pre-litigation dispute resolution and litigation, for State Plan Sponsors to recoup any overpayments or drug spend savings that should have been paid to State Plan Sponsors from PBMs.

Frier Levitt’s Plan Sponsor Division is headed by Co-Founding Partner Jonathan E. Levitt, Esq., and Senior Counsel Dae Y. Lee, Pharm.D., Esq., CPBS™ who received his Doctor of Pharmacy degree from Ernest Mario School of Pharmacy and is a Certified Pharmacy Benefits Specialist™ (CPBSTM). They are supported by a team of pharmacy practice attorneys with in-depth knowledge of PBMs.