



Caring Since 1867

409 Race Street Cambridge MD 21613

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Medical - P: 410-228-0058 F: 410-228-1399

[www.craigdrugstore.com](http://www.craigdrugstore.com)

March 21, 2022

Craig's Drug Store is a 155 year old pharmacy serving Maryland's Eastern Shore. For a number of years prescription reimbursement has been declining, and I believe that margins are now at non-sustainable levels.

Prescription reimbursement has been impacted by unfair pricing tactics that are not associated with the actual cost of the product. Effective rates and DIR fees unfairly skew the pricing model in favor of the 3<sup>rd</sup> party. Our margins at the point of sale are not fixed, and our payment can be reduced or retracted after the claim has been adjudicated. Over the last 3 days we have filled 190 prescriptions below cost yielding a -\$2475.86 shortfall. Please consider requiring 3<sup>rd</sup> party vendors to adhere to a pricing model that requires reimbursement above cost not below, and eliminate the claw-back structure that allows the takeback of payment even after the claim is paid.

Thank You,

Charles Kelly