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Ohio AG Yost's lawsuit against drug middlemen 'gal international impact

by Darrel Rowland
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Ohio Attorney General Dave Yost. (Image: Office of the Ohio Attorney General)

Calling them “modern gangsters,” Ohio Attorney General [Dave Yost](#) Monday against pharmacy benefit managers, controversial middle chain.

The litigation is significant because it constitutes a major legal challenge to practices called into question by critics in recent years – most of which are controlled by just three PBMs control around 80% of the market.

One of them, [Express Scripts](#), is named in the Ohio suit along with its parent group.

The former is accused in the lawsuit of setting up a mysterious entity to engage in price collusion with a purported competitor.

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BREAKING: Huge lawsuit by Ohio AG Dave Yost state anti-trust violations against PBM Express related companies - including one in Switzerland concealed the conspiracy, he alleges

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"The PBMs were designed to protect and negotiate on behalf of employees after Big Pharma was criticized for overpricing medications, but instead destroyed transparency, scheming in the shadows to control drug market," Yost said in a news release.

ABC 6 On Your Side reached out to four different media representatives for comment on the lawsuit, but had not heard back from any of them.



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Lawsuit rips open 'black box' of America's drug-pricing mess

But perhaps more important, many of the actions described by Yost today's murky drug-pricing world – and not just by the named defen

For instance, the state's allegation that an unlawful conspiracy amor prices in exchange for preferred treatment on a PBM's formulary (lis insurance coverage) violated anti-trust laws is remarkably similar to [investigators](#) and others have found happens regularly among PBM:

In another statement that applies to all PBMs, the lawsuit accused th power to hurt competing pharmacies, and particularly independent them to accept reimbursements significantly below what the pharm themselves.

“Pharmacies in under-served areas or rural communities in Ohio, w patient's first line of treatment, are struggling to stay in business du demands by the PBMs.”

The lawsuit describes a “complex ‘pay to play’ rebate system that, pe manufacturers to increase drug prices in order to be placed on or re on PBM formularies.”

The big PBMs, combined with health insurers and pharmacies unde so dominate the system that they can “extract exorbitant fees” and ‘

“In the United States, over-inflated drug prices are born out of a high where little-known but massively sized PBMs often dictate our realit founder of drug-price watchdog 3 Axis Advisers who exposed many practices in Ohio.

“When Dave Yost first started pursuing litigation regarding the hidde middle of the prescription drug supply chain, he promised that man drop. To build on the metaphor, Yost just dropped the steel-toed bo



Pharmacy benefit manager Express Scripts profited from unfair trade practices, a new Ohio lawsuit alleg

PBMs are like...kudzu?

The lawsuit starts with agricultural metaphor:

“Like the import of [kudzu](#) to stop soil erosion, the creation of the ph was a solution that has become the problem. Through industry cons landscape is dominated by three big players With this dominance, th box that holds a complex administration system that allows the PBM Scripts, to enrich themselves in multiple ways.

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The other two PBMs: CVS' [Caremark](#) and UnitedHealth Group's [Optu](#)

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Express Scripts "knowingly and willfully made false statements of fact that it was providing, as well as "repeated misrepresentations" on the character and quality of its services, the lawsuit says.

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Yost [alleged](#) the collusion jacked up the price of many of Ohioans' di

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"For example," Yost said, "an estimated 1.1 million Ohioans are diabetic. For thousands of them, daily insulin injections are essential to survival, but the concealed scheme has fueled an astronomical increase in the price of insulin from \$20 per unit in the late 1990s to between \$300 and \$700 per unit today."

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Yost says the scheme impacts several other types of drugs, as well as

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"Medications shouldn't cost an arm and a leg, metaphorically or literally. High drug costs are a symptom of the problem; PBMs are the disease."

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Also named as defendants were Prime Therapeutics, Ascent, Humana, and its parent company, Humana.

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After congressional pressure on drug pricing, Express Scripts formed a new purchasing organization, in 2019. The same year, per the lawsuit, the company's competitor, Prime Therapeutics, to become a minority owner of Ascensus, a major customer is Humana Pharmacy Solutions.

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Through Ascent, relocated from St. Louis to Switzerland, the group is accused of sharing and rebate information with one another, as well as to fix rebate prices, the lawsuit said. It adds that the three also "negotiate with (drug) manufacturers to increase the price of pharmaceuticals, including insulins, biologics and other high-cost drugs."

In sum, per the lawsuit, "The defendants have harmed not just market competition but Ohioans' health and lives."

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