

Congress of the United States
House of Representatives

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

2157 RAYBURN HOUSE OFFICE BUILDING

WASHINGTON, DC 20515-6143

MAJORITY (202) 225-5074

MINORITY (202) 225-5051

<http://oversight.house.gov>

August 31, 2015

Mr. Larry J. Merlo
President and Chief Executive Officer
CVS Health
One CVS Drive
Woonsocket, RI 02895

Dear Mr. Merlo:

I am investigating reports that Warner West Pharmacy & Supplies recently submitted an insurance claim to CVS/caremark for a staggering \$44,000 on behalf of one of its customers for a widely available nutritional supplement known as Resveratrol—an antioxidant derived from grapes that Warner West reportedly sells over the counter for approximately \$600. If these reports are accurate, they raise a host of troubling questions about how this could have occurred—and whether it is still occurring on a much wider scale.

On June 11, 2015, *CBS Evening News* reported that Warner West submitted an insurance claim for a 30-day supply of Resveratrol to CVS/caremark for a cost of \$44,707. At the same time, according to this report, Warner West was offering a 30-day supply of Resveratrol over the counter at a fraction of this amount.¹

My office has now obtained a printout from Warner West's pharmacy management program that appears to confirm that Warner West submitted this Resveratrol prescription (Rx#641735) to CVS/caremark and then filled it on May 1, 2015.

This printout also states that the customer “refused” the prescription for Resveratrol. The printout states that Warner West “reversed” the prescription on May 19, 2015. According to this document, Warner West appears to have contacted CVS/caremark at approximately 8 p.m. that evening to “make sure that there was *[sic]* no charges to the patient insurance for this claim or any other claims.”

My office has also obtained a pre-printed prescription form prepared by Warner West that appears to encourage doctors to prescribe nutritional supplements sold by Warner West.

¹ *The Curious Incident of the \$44,000 Prescription*, CBS Evening News (June 11, 2015) (online at www.cbsnews.com/news/prescription-Resveratrol-supplement-expensive-investigation/).

The form includes five options with boxes next to each option that doctors can check to indicate their prescriptions:

Metabolic Support.	Option 1
CoEnzyme Q10.	Option 2
Lipoic Acid.	Option 3
Resveratrol Powder (63gm.).	Option 4
Resveratrol Powder (21gm.).	Option 5

If a supplement prescribed by a doctor is not ultimately covered by insurance, this pre-printed form appears to authorize Warner West to substitute the prescribed supplement with any of the four other supplements listed on the form, even if the doctor never prescribed it. The fine print that appears at the bottom of the form states:

In the event that Option 1 is not covered, substitution to Option 2, 3, 4 or 5 with different prescribed medication or formulation is applicable. By signing this prescription, prescriber is authorizing pharmacy to substitute as necessary.

In order to better understand CVS/caremark's actions, please provide responses to the following questions and copies of the documents requested below:

1. Did CVS/caremark receive a claim for a 30-day supply of Resveratrol for approximately \$44,000 from Warner West? If so, please provide a copy of that claim. If not, please explain the facts surrounding this submission.
2. Did CVS/caremark receive any previous claims submitted by Warner West for other options that were not covered by insurance prior to submitting this option? If so, what was the result of those claims?
3. Did CVS/caremark at any point approve the claim for Resveratrol submitted by Warner West? If so, please provide documents indicating that the claim was approved. If not, please provide documents indicating that the claim was rejected.
4. Please provide all documents relating to the assertion that Warner West contacted CVS/caremark and "reversed" the prescription.
5. Did CVS/caremark pay for any portion of the Resveratrol claim submitted by Warner West? Please provide documents indicating all payment sources.
6. Please provide copies of all communications, including emails to or from any CVS/caremark employees, relating to: CVS/caremark's receipt of these claims, CVS/caremark's responses to Warner West, and any press inquiries or news reports regarding this matter.
7. Please provide documents indicating the total number of claims over \$5,000 that CVS/caremark has received from Warner West for 30-day supplies of Resveratrol from

January 1, 2013, to the present; the number of those claims that have been approved; and the total dollar amount that has been paid for those claims.

8. What procedures does CVS/caremark have in place to review claims submitted by pharmacies before they are approved or denied? What procedures are currently in place to ensure that pharmacies submit claims for drugs or nutritional supplements actually prescribed by the patient's doctor? What steps does CVS/caremark take to confirm that pharmacies are not submitting multiple formulations of a drug or nutritional supplement until one is approved before CVS/caremark makes a payment?

Please provide your responses and the documents requested by September 18, 2015. In addition, in accordance with the Health Insurance Portability and Accountability Act (HIPAA) Privacy Rule, please redact any personally identifiable information from the documents you are producing. Please contact Ali Golden or Christy Gamble of my staff at (202) 225-5051 with any questions about this request. Thank you for your attention to this matter.

Sincerely,



Elijah E. Cummings
Ranking Member

cc: The Honorable Jason Chaffetz, Chairman
Committee on Oversight and Government Reform

Enclosures



Patient Name: _____	Phone# _____	Last 4 Digits of SS# _____
DOB: _____	Allergies: _____	NKDA: _____ ICD-9: _____
Address: _____	City: _____	State: _____ Zip: _____
Rx Insurance Co: _____	BIN: _____	PCN: _____
Member ID# _____	Group: _____	Pharmacy Help Desk# _____

PLEASE FAX COPIES OF BOTH MEDICAL AND PRESCRIPTION CARDS ALONG WITH PATIENT DEMOGRAPHICS

<input type="checkbox"/> METABOLIC SUPPORT. OPTION 1. <ul style="list-style-type: none"> <input type="radio"/> Hyaluronic Acid 4 mg <input type="radio"/> Lipoic Acid 25 mg <input type="radio"/> CoEnzyme Q10 50 mg <input type="radio"/> Pyridoxal 5 Phosphate 7 mg <input type="radio"/> Methylcobalamin 1 mg <input type="radio"/> Vitamin D3 1 mg <input type="radio"/> Folic acid 0.05 mg <p>Quantity: 180 capsules Directions: Take 2 capsules by mouth 3 to 4 times daily before meals</p>	<input type="checkbox"/> RESVERATROL POWDER. OPTION 4. <p>Directions: Mix 1/2 tsp (=700 mg) of powder in 8 oz of water three times daily. Mix completely and drink all 8 oz.</p> <p>Quantity: = 63 gm.(30 day supply)</p>
<input type="checkbox"/> CoEnzyme Q10. OPTION 2. <input type="checkbox"/> 100 mg/cap. <input type="checkbox"/> 1/16 of tsp <p>Quantity: 120 capsules/ 12 gm Directions: Take 2 capsules by mouth 2 times daily before meals. Take 1/16 of tsp twice daily.</p>	<input type="checkbox"/> RESVERATROL POWDER. OPTION 5. <p>Directions: Mix 1/4 tsp (=350 mg) of powder in 8 oz of water twice daily. Mix completely and drink all 8 oz</p> <p>Quantity: = 21 gm.(30 day supply)</p>
<input type="checkbox"/> Lipoic acid. OPTION 3. <input type="checkbox"/> 600 mg/cap. <input type="checkbox"/> 1/4 of tsp <p>Quantity: 30 capsules/ 18 gm Directions: Take 1 capsule by mouth daily. Take 1/4 of tsp by mouth once daily.</p>	

In the event that Option 1 is not covered, substitution to Option 2, 3, 4 or 5 with different prescribed medication or formulation is applicable. By signing this prescription, prescriber is authorizing pharmacy to substitute as necessary.

Refills: 0 1 2 3 4 5

Physician Name: _____	Signature: _____	Date: _____
NPI#: _____	DEA#: _____	Phone#: _____
Address: _____	Fax# _____	
City: _____	State: _____	Zip code: _____

Rx # 641735

Exit Undo History Tools Image

Patient [REDACTED] F2 RX No. 641735
06/19/75 M ZIP: 90064 Date Filled 05/01/2015

Patient [REDACTED]

DeMographic | Rx Plan | Clinical | Notes & Flags | HIPAA

Flags:

- ☐ A/R account
- ☐ WC / Green Lien
- ☐ Delivery
- ☐ No Safety Cap. Requested
- ☐ Automatic Refilling Requested
- ☐ Refill Reminder
- ☐ Pickup/Delivery Notification
- ☐ Auto bill Copay to 2nd Ins.
- ☐ Deceased
- ☒ Pharmacy First Refill Reminder

Sig Lang. English

Comm. Via Home Phone

Notes

PATIENT REFUSED RX#641735
ON 5/19/2015 RX WAS REVERSED
THAT SAME DAY AT 7:51.40PM
WITH REF# 151215266067146.
PHARMACY CALLED CAREMARK
AND SPOKE WITH VICTORIA Z.
TO MAKE SURE THAT THERE
WAS NO CHARGES TO THE
PATIENT INSURANCE FOR THIS
CLAIM OR ANY OTHER CLAIMS.

Done Edit