

January 13, 2011

North Carolina Pharmacies Sue CVS Caremark

CHARLOTTE—(BUSINESS WIRE)

Three **North Carolina pharmacies** have sued [CVS Caremark](#) (NYSE: CVS), the **national drug store chain** and **prescription benefits manager** (“PBM”) conglomerate, for violating the [North Carolina Pharmacy of Choice Act](#) and for unfair and deceptive business practices. The class action complaint was filed in the U.S. District Court for the Middle District of North Carolina. The complaint is [Burton’s Pharmacy, Inc., d/b/a Burton’s Health Mart Pharmacy, et al. v. CVS Caremark, Inc., et al.](#), Case No. 1:11-cv-2 (M.D.N.C., filed January 3, 2011).

CVS Caremark is the largest provider of prescriptions in the United States and ranks as the 18th largest company in the U.S., with sales having reached nearly \$100 billion in 2009. In contrast, the Plaintiffs in the lawsuit are **independent pharmacies** who are part of the fabric of small businesses forming the backbone of the American economy. **Burton’s Pharmacy, Inc., Pike’s Pharmacy, Inc.** and **Dilworth Drug**, located in Greensboro and Charlotte, North Carolina, allege that in its role as a **PBM**, CVS Caremark obtains private information about patients from independent pharmacies and then uses that information to cause patients to purchase their medicine at CVS, rather than at the independent pharmacies.

The complaint also alleges that CVS Caremark’s conduct violates the Pharmacy of Choice statute enacted in North Carolina by creating disincentives for a patient to access the pharmacy of his or her own choice. For example, CVS Caremark’s **“Maintenance Choice”** program appears to require patients to fill their prescriptions for maintenance medications only at CVS Caremark-owned retail and mail pharmacies or be denied coverage and reimbursement.

CVS Caremark is the [subject of an investigation by a multi-state task force](#) led by various state Attorneys General, who are investigating the relationship and business practices of CVS and Caremark following their 2007 merger. The Federal Trade Commission has been [probing CVS Caremark's business practices](#) since at least August 2009.

Counsel for plaintiffs are Gary Jackson and Sam McGee of Jackson & McGee in Charlotte, Chet Rabon of Wells Daisley Rabon, also of Charlotte, and Robert Green and Rob Noblin of Green Welling, of San Francisco.

CONTACT:

Gary Jackson
Jackson & McGee, LLP
(704) 377-6680
www.ncadvocates.com

Rob Noblin
Green Welling, P.C.
(562) 391-2487
www.classcounsel.com

Chet Rabon
Wells Daisley Rabon, P.A.
(704)-375-1800
www.wdrlawfirm.com