

**Rapidly Increasing Postal Service Delivery Delays for Mail-Order
Prescription Drugs Pose Health Risks for Millions of Americans**



Staff Report Prepared for

U.S. Senator Elizabeth Warren and U.S. Senator Bob Casey

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Executive Summary

Louis DeJoy was selected to serve as Postmaster General in May 2020. Almost immediately after being named to the position, Postmaster General DeJoy – with the support of President Donald Trump – began implementing changes that threaten the service and integrity of the U.S. Postal Service (USPS). Members of Congress and outside experts have raised concerns that these changes may be causing significant delivery delays for mail-order prescription drugs, putting the health of Americans in danger.

To determine the extent of these delays, U.S. Senator Elizabeth Warren and U.S. Senator Bob Casey opened an investigation, writing to five of the largest pharmacies and pharmacy benefit managers and asking them a series of questions about mail-order prescription deliveries.

This report contains the results of that investigation. The findings are new and previously unreleased, and show that, although Postmaster General DeJoy testified that his changes to mail service “should not have impacted anybody,” there have been significant delays in USPS deliveries of mail-order prescription drugs in recent months, potentially posing serious health risks to millions of Americans and increasing costs for consumers and taxpayers. Specific findings include:

- **Millions of patients rely on timely USPS delivery for their medications, and demand is increasing during the COVID-19 pandemic.** In 2019, over 170 million prescriptions were filled by mail in the United States, and “through July 2020 ... [there has been] a 20 percent increase in prescription drugs filled through mail-service pharmacies during the pandemic.”
- **There have been significant and increasing delays in the delivery of mail-order prescription drugs in the summer of 2020.** All of the mail-order pharmacies that are heavily reliant on USPS for delivery of mail-order drugs reported an increase in average delivery times, ranging from 18-32%. In general, this meant that deliveries that would typically take 2-3 days were instead taking 3-4 days. Some delays appear to be even longer. One company reported that “we saw a marked increase in July in the number of patients experiencing shipment delays of seven days or more,” and another reported that “the number of orders taking over five days to deliver has risen dramatically since the onset of the pandemic.” A representative of a pharmacy industry organization informed Sens. Warren and Casey that one of its members had observed delays in delivery times of 49% for USPS prescription deliveries. Only one of the respondents reported that they were “not experiencing any unusual delays in deliveries” - but this company reported that they were more reliant on private-sector carriers than on USPS.
- **Delays pose potentially serious health risks for those requiring prescription medication.** One company reported that “for the nearly half of adults in the United States with a chronic condition, timely delivery of prescription medication can have a

direct impact on their health outcomes.” Another indicated that seniors were at particular risk, noting that, “[i]f the USPS experiences delays in delivering these prescriptions, our members, who are primarily Medicare beneficiaries, may have an insufficient supply of medication which could result in adverse clinical outcomes if not addressed quickly.”

- **Delays in USPS service are imposing new costs and burdens on health care providers, which could increase costs to the federal government.** Delays in mail service are increasing costs and imposing new burdens on mail-order pharmacy companies. One reported a “35 percent increase in the number of reshipments resulting from USPS service delays” and that “[i]n July alone, we experienced an 80 percent increase resulting in approximately \$700,000 in additional costs.” These costs, if they continue, may lead to increases in costs for consumers and increases in federal spending on prescription drugs.

Introduction

On May 6, 2020, Louis DeJoy was selected to serve as Postmaster General, in what has since been characterized as an “irregular” and “politically motivated” process.¹ Almost immediately after being named to the position, Postmaster General DeJoy – with the support of President Donald Trump – began implementing “a sweeping organizational and policy overhaul” – including reducing overtime hours and banning extra trips for postal workers and removing dozens of mail-sorting machines - that threaten the service and integrity of the USPS.²

Millions of Americans with diabetes, high blood pressure, heart disease, asthma, and other chronic conditions, illnesses or health care needs rely on the USPS for delivery of their prescription drugs.³ These patients are at grave risk if efforts to degrade the mail service result in delays and disruptions. These health threats are magnified by the ongoing pandemic, which has had a disproportionate impact on seniors, people with disabilities and individuals with chronic conditions.⁴

Troubling reports indicate that changes implemented by Postmaster General DeJoy have resulted in significant delays for every type of mail – including life-saving prescription drugs for seniors, people with disabilities, veterans, and millions of other patients. According to a report from the *Philadelphia Inquirer*, for example, “[n]eighborhoods across the Philadelphia region are experiencing significant delays in receiving their mail, with some residents going upwards of three weeks without packages and letters, leaving them without medication, paychecks, and bills.”⁵ Senators have received significant outreach from constituents concerned about the timely delivery of prescriptions by the USPS. For example, reports from veterans and staff at the

¹ USPS, Press Release, “Board of Governors Announces Selection of Louis DeJoy to Serve as Nation’s 75th Postmaster General,” May 6, 2020, <https://about.usps.com/newsroom/national-releases/2020/0506-bog-announces-selection-of-louis-dejoy-to-serve-as-nations-75th-postmaster-general.htm>; NBC News, “Lawmakers press Postal Service board member whether DeJoy's hiring was politically motivated,” August 20, 2020, Leigh Ann Caldwell, <https://www.nbcnews.com/politics/politics-news/lawmakers-press-usps-board-member-possible-political-influence-dejoy-s-n1237515>.

² New York Times, “Mail Delays Fuel Concern Trump Is Undercutting Postal System Ahead of Voting,” Michael D. Shear, Hailey Fuchs and Kenneth P. Vogel, July 31, 2020, <https://www.nytimes.com/2020/07/31/us/politics/trump-usps-mail-delays.html>; Washington Post, “Postal Service warns 46 states their voters could be disenfranchised by delayed mail-in ballots,” Erin Cox, Elise Viebeck, Jacob Bogage and Christopher Ingraham, August 14, 2020, https://www.washingtonpost.com/local/md-politics/usps-states-delayed-mail-in-ballots/2020/08/14/64bf3c3c-dcc7-11ea-8051-d5f887d73381_story.html.

³ Kaiser Family Foundation, “Mail Delays Could Affect Mail-Order Prescriptions for Millions of Medicare Part D and Large Employer Plan Enrollees,” Juliette Cubanski et. al., August 20, 2020, <https://www.kff.org/coronavirus-covid-19/issue-brief/mail-delays-could-affect-mail-order-prescriptions-for-millions-of-medicare-part-d-and-large-employer-plan-enrollees/>.

⁴ See, e.g., Morbidity and Mortality Weekly Report, “Characteristics of Persons Who Died with COVID-19 - United States, February 12-May 18, 2020,” July 17, 2020, <https://www.cdc.gov/mmwr/volumes/69/wr/mm6928e1.htm>.

⁵ Philadelphia Inquirer, “Mail delays are frustrating Philly residents, and a short-staffed Postal Service is struggling to keep up,” August 2, 2020, <https://www.inquirer.com/news/philadelphia/usps-tracking-in-transit-late-mail-delivery-philadelphia-packages-postal-service-20200802.html>.

Department of Veterans Affairs document that mail-order medications are “often taking weeks to be delivered and causing veterans to miss doses of vital medications.”⁶

Sens. Warren and Casey opened an investigation into USPS delays of mail-order prescriptions in August 2020, sending letters to five major pharmacies and pharmacy benefit managers that provide mail-order service (Cigna/Express Scripts, CVS Health, Walgreens Boots Alliance, UnitedHealth/Optum, and Humana) asking for information on the number of mail-order prescriptions filled in 2020, aggregate demographic information on customers receiving prescriptions, the percentage of prescriptions handled by USPS, and the average delivery time for calendar year 2019 and for each month of calendar year 2020.⁷ They also asked for information on patient complaints regarding delayed delivery of mail-order prescriptions, changes in business practices to ensure that mail-order prescriptions are delivered to customers on time, the unanticipated costs of these changes, and whether the companies have experienced recent increases in USPS shipping costs for mail-order prescription drugs.

All five companies responded to the Senators’ inquiry. The Pharmaceutical Care Management Alliance (PCMA), the national association representing America’s Pharmacy Benefit Managers, also provided information to the Senators, as did the National Association of Specialty Pharmacy. Additionally, the Senators heard from patient advocacy groups regarding the impact that prescription delivery delays could have on the health and well-being of those that rely on mail delivery for life-sustaining medications. This report provides a summary of the investigation’s findings.

⁶ Letter from United States Senators to Postmaster General DeJoy, August 13, 2020, https://www.veterans.senate.gov/imo/media/doc/200813_Letter_USPSdelaysveteranprescriptions.pdf.

⁷ Sen. Elizabeth Warren and Sen. Robert Casey, Letters to Major Pharmacies and Pharmacy Benefit Managers, August 20, 2020, <https://www.warren.senate.gov/imo/media/doc/FINAL%20PDF%20Letters%20.pdf>.

Findings

1. Millions of patients rely on timely Postal Service delivery for their medications, and the COVID-19 pandemic has increased mail-order pharmacy demand.

Millions of Americans rely on mail-order pharmacies and pharmacy benefit managers to receive necessary medications. This reliance on mail-order prescriptions has only increased as the COVID-19 pandemic continues to be a persistent threat in the United States. In 2019, over 170 million prescriptions were filled by mail in the United States,⁸ and preliminary public data suggests that “[d]uring the last week of March [2020], mail-order prescriptions grew 21% from the previous year”—bringing the mail-order prescription’s share of the prescription drug market to the highest portion in the last two years.⁹

Information provided to Sens. Warren and Casey by some of the largest companies providing mail-order prescription services confirms these public reports. One respondent summarized the current situation by noting that “Since the onset of the COVID-19 pandemic, with stay-at-home orders and limited accessibility to public and retail space, home delivery has never been more important and in-demand by our customers.”

PCMA, whose members serve over 266 million Americans, reported that their “May 2020 survey [of member companies] found an average 17 percent increase in mail-service prescriptions in March 2020 as compared to March 2019,” and that “through July 2020, the IQVIA Institute [a health information technology company] has found a 20 percent increase in prescription drugs filled through mail-service pharmacies during the pandemic.”¹⁰

American reliance on mail-order prescriptions has meant that millions depend on the USPS for these deliveries. PCMA indicated its member companies reported that “an average of more than 85 percent of mail service prescriptions [are] shipped using the USPS,” and that several companies “reported numbers in excess of 90 percent.”¹¹ The individual responses provided to the Senators from the mail-order pharmacies echoed this information, citing heavy reliance on the USPS to deliver prescriptions, with only one exception. This mail-order pharmacy informed Sens. Warren and Casey that they use private-sector carriers (UPS and FedEx) for the vast majority of their prescriptions, and that “in all, less than one percent of packages are handled by USPS for end-to-end delivery.”

⁸ Kaiser Family Foundation, “Number of Mail Order Prescription Drugs Per Capita,” <https://www.kff.org/health-costs/state-indicator/number-of-mail-order-prescription-drugs-per-capita/?currentTimeframe=0&sortModel=%7B%22collId%22:%22Mail%20Order%20Rx%20Drugs%20Per%20Capita%22,%22sort%22:%22desc%22%7D>.

⁹ Wall Street Journal, “Mail-order drug delivery rises during coronavirus lockdowns,” Jared S. Hopkins, May 12, 2020, <https://www.wsj.com/articles/mail-order-drug-delivery-rises-during-coronavirus-lockdowns-11589281203>.

¹⁰ Letter from J.C. Scott, President and Chief Executive Officer, PCMA, to Sens. Warren and Casey, August 26, 2020.

¹¹ Letter from J.C. Scott, President and Chief Executive Officer, PCMA, to Sens. Warren and Casey, August 26, 2020.

Americans of all ages depend on the USPS to deliver mail-order prescriptions, but this reliance is especially prevalent among seniors and people with disabilities, and more acutely so during the pandemic. The respondents indicated that seniors are particularly reliant on timely delivery of mail-order prescriptions, accounting for more than half of all patients receiving mail-order prescriptions.¹² Patient advocacy groups echoed this fact and noted that the COVID-19 pandemic has increased the reliance on mail-order delivery of prescriptions by seniors and people with disabilities.¹³ According to the Center for Medicare Advocacy, “[t]he current COVID-19 public health emergency has had a disproportionately harmful impact on older adults, and necessitates minimizing contact with other people. As more people avoid picking up their drugs and supplies at pharmacies and other places of business, older adults and individuals with disabilities are even more dependent upon the Postal Service to provide a bridge to the outside world.”¹⁴ Further, the Medicare Rights Center noted that “[a]ny USPS operational changes that result in delivery delays could put [older adults and people with disabilities] at risk.”¹⁵

2. Delays in mail-order prescription drug delivery can pose serious health risks for patients.

Pharmacies and pharmacy benefit managers agreed that delays in prescription delivery could have serious consequences for patients. Each of the respondents indicated that – absent additional efforts to get patients their prescriptions in a timely manner – delays in delivery of mail-order prescription drugs could pose serious threats to the health of their customers and patients.

Medication adherence, or the ability to maintain a schedule of taking a prescription regularly and on time, arose as a significant concern for several respondents. One respondent indicated that “medication adherence is at risk when patients do not have access to their medications in a timely manner.” Another indicated that “for the nearly half of adults in the United States with a chronic condition, timely delivery of prescription medication can have a direct impact on their health outcomes. Patients with chronic and acute conditions who miss their medicines also end up with much higher annual costs. If even one prescription is delayed, it may impact that patient’s ability to remain adherent.”

A third respondent indicated that seniors and people with disabilities are at particular risk, noting that, “If the USPS experiences delays in delivering these prescriptions, our members, who are primarily Medicare beneficiaries, may have an insufficient supply of medication which could result in adverse clinical outcomes if not addressed quickly.” And PCMA indicated that “changes resulting in the delay of mail may cause a potential gap in care when, for example, a refill has not arrived in time, or pose a barrier to adherence.”¹⁶

¹² Letter from J.C. Scott, President and Chief Executive Officer, PCMA, to Sens. Warren and Casey, August 26, 2020.

¹³ Letter from AARP, ACCSES, et. al., to Speaker Pelosi, Leader McConnell, et. al., May 14, 2020; Letter from Center for Medicare Advocacy to Sens. Casey and Warren, September 3, 2020.

¹⁴ Letter from Center for Medicare Advocacy to Sens. Casey and Warren, September 3, 2020.

¹⁵ Letter from Medicare Rights Center to Sens. Casey and Warren, September 4, 2020.

¹⁶ Letter from J.C. Scott, President and Chief Executive Officer, PCMA, to Sens. Warren and Casey, August 26, 2020.

Senators also heard from constituents and patient advocacy groups about the extreme risks posed to patients that do not receive timely medications through the USPS. For example, seniors and veterans reported missed medication doses due to USPS delays and parents with medically complex children expressed concern that their children would not receive their medications on time.¹⁷

3. Delays in delivery of mail-order prescriptions have increased in 2020.

The information provided to Sens. Warren and Casey indicates that there have been significant delays in USPS deliveries of mail-order prescriptions. All four of the mail-order pharmacies that are heavily reliant on USPS for prescription drug deliveries indicated that they have experienced delivery delays during Postmaster General DeJoy's tenure. Each of these companies revealed that they had experienced an average increase in delivery time of approximately half a day or more relative to 2019 or early 2020. This represents a significant delay, increasing delivery times by 18-32%. In general, this meant that deliveries that would typically take 2-3 days were instead taking 3-4 days.

Only one respondent reported that they were “not experiencing any unusual delays in deliveries.” However, this company noted that it was reliant on private-sector carriers rather than USPS, telling Sens. Warren and Casey that “less than one percent of [their] packages are handled by USPS for end-to-end delivery.”¹⁸

The companies reported that some consumers experienced much longer delays, resulting in increased complaints and concerns from consumers. One reported that “we saw a marked increase in July in the number of patients experiencing shipment delays of seven days or more.” Another reported that “[w]e have also seen an increase in the number of prescription orders taking significantly longer to deliver than our target timeframes...the number of orders taking over five days to deliver has risen dramatically since the onset of the pandemic,” and that “[w]e are currently seeing an increase in our calls, complaints and reship requests due to concerns with receiving orders in a timely fashion and/or questions about USPS issues in general. In August, we have experienced a 30 percent increase in these calls compared to the previous seven months.” A third indicated that their “[s]tandard for reasonable delivery time for all mail service prescriptions...was not met during May through July 2020.” And a fourth reported a more than four-fold increase in consumer inquiries about delayed mail-order prescriptions just between May and August 2020.

¹⁷ Letter from the American Association of People with Disabilities and The National Council on Independent Living to Speaker Nancy Pelosi, et. al., August 23, 2020, <https://www.aapd.com/wp-content/uploads/2020/08/AAPD-NCIL-USPS-Letter-to-House-with-Enclosure-.pdf>.

¹⁸ This provider indicated that it only relied on USPS for last-mile service that could not be provided by UPS or FedEx.

A representative for the National Association of Specialty Pharmacy, which represents pharmacies that provide prescription drugs for patients with the most complex medical needs,¹⁹ indicated that one of its members had observed delays in delivery time of 49% for medications sent by first class mail, and about 30% for priority mail, describing several instances where delivery took a week or more – or where medications never arrived.²⁰

The only respondent that did not report these significant delays informed Sens. Warren and Casey that they that relied on UPS and FedEx, rather than USPS, for the vast majority of their deliveries.

4. Delayed USPS deliveries are imposing new costs and burdens on health care providers, which could increase costs to the federal government.

In addition to presenting health risks for patients who are not able to obtain their medications in a timely fashion, delays in mail service are increasing costs and imposing new burdens on pharmacies and mail-order pharmacy companies. One reported a “35 percent increase in the number of resh Shipments resulting from USPS service delays... [i]n July alone, we experienced an 80 percent increase resulting in approximately \$700,000 in additional costs.” Another indicated that “[d]uring the month of July we did experience unanticipated expenditures related to re-shipment of medications.” And a third “forecasts an increase in excess of \$1 million in costs in the fourth quarter of 2020 due to the peak surcharge from USPS.”

Other experts contacted by Sens. Warren and Casey indicated that in order to ensure timely delivery, providers had been forced to shift packages from USPS to other carriers, further increasing costs and complicating logistics. These cost increases, if they continue, may be passed on to consumers and the federal government, which covers prescription drugs under Medicare, Medicaid, and other federal programs.

Conclusion

Since taking office in May, Postmaster General Louis DeJoy has implemented significant changes to Postal Service operations. In response to criticism and concerns that these changes have slowed the mail, he has indicated that “the intention was to put the mail on the trucks and have the trucks leave on time. That should not have impacted anybody.”²¹ The findings of this investigation, which contains new and previously unreleased information from the nation’s largest pharmacies and mail-order pharmacy companies, reveal that in recent months there have

¹⁹ National Association of Specialty Pharmacy, “General Information,” 1010, <https://naspnet.org/general-information/>; APhA, “Specialty Pharmacy,” 2020, <https://www.pharmacist.com/specialty-pharmacy>;

²⁰ E-mail from Representative for the National Association of Specialty Pharmacy, to staff of Sen. Warren and Casey, September 4, 2020.

²¹ Postmaster General Louis DeJoy, Testimony before the House Committee on Oversight and Reform, Protecting the Timely Delivery of Mail, Medicine, and Mail-in Ballots, August 24, 2020, <https://oversight.house.gov/legislation/hearings/protecting-the-timely-delivery-of-mail-medicine-and-mail-in-ballots>.

been significant delays in USPS delivery of mail-order prescription drugs, potentially jeopardizing the health of millions of Americans and increasing costs and complications for mail-order pharmacy deliveries.