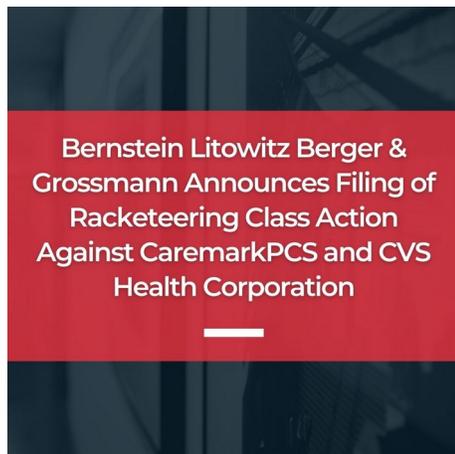


Bernstein Litowitz Berger & Grossmann Announces Filing of Racketeering Class Action Against CaremarkPCS and CVS Health Corporation

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NEW YORK (March 19, 2026) – Bernstein Litowitz Berger & Grossmann LLP (BLB&G) announces the filing of a class action against leading pharmacy benefits manager CaremarkPCS Health, LLC along with its corporate parent, CVS Health Corporation. Plaintiff Roofers’ Union Welfare Trust, which provides healthcare benefits for members of Local 11 Union of Roofers, Waterproofers and Allied Workers, brought this action to hold CaremarkPCS and CVS accountable for defrauding PBM customers.

This class action on behalf of CaremarkPCS PBM customers challenges defendants’ use of Zinc Health Services—a CVS subsidiary—as a vehicle to extract billions of dollars in kickbacks from drug manufacturers. CaremarkPCS demanded those payments in exchange for providing the drug companies access to CaremarkPCS’ drug formulary—the vital, curated list of medications available to its PBM customers.

The suit was filed in U.S. District Court for the District of Rhode Island. A copy of the filing can be found [here](#).

Gary Menzel, Chairman of the Roofers’ Unions Welfare Trust Fund and President of Roofers Local 11, stated that “Caremark promised to prioritize healthcare cost savings for our members but instead Caremark and CVS took billions of dollars in kickbacks to line their pockets. It’s a sad day in the American healthcare system. Those dollars should have gone to our participants and other customers to reduce health care costs.”

The action alleges that CaremarkPCS and CVS falsely promised Roofers’ Union Welfare Trust and its other PBM customers that they would help lower healthcare expenses when, in fact, the defendants’ misconduct dramatically inflated the costs incurred by those customers. CVS’s promises to its customers were highlighted by Chairman and CEO David Joyner, who has stated that “our objective and our goal is to reduce the total cost of drugs, and that’s

really what we're trying to accomplish as a business and as a company. And customers, health plans, employers depend on us to do that." Indeed, the President of CaremarkPCS promised, "We don't pass kickbacks back to our company. We do actually pass through 98 plus percent of our rebates to our customers, retaining a little bit more than 1 percent."

CaremarkPCS breached its promises by demanding kickbacks from drug companies in exchange for access to the CaremarkPCS drug formulary, and the exclusion of lower cost competing drugs. Because the formulary dictates which drugs are available to PBM customers, selling access to the formulary means selling access to tens of millions of patients who relied on CaremarkCVS to build that formulary based on "clinical efficacy" and "driving low net cost for our customers," as CaremarkPCS promised.

CaremarkPCS and CVS falsely described Zinc as a "group purchasing organization," and delegated to Zinc the responsibility for negotiating terms with drug companies - the primary role for which customers hired CaremarkPCS.

Instead of negotiating on behalf of PBM customers, the defendants allegedly disguised billions of dollars in payments by drug companies to Zinc by falsely describing the payments as various "fees." In truth, according to a former CaremarkPCS executive cited in the class action complaint, "It was all on paper and it was all transactional money flowing through contracts... it was access to the formularies."

Peter Russell, Counsel at BLB&G, said "The major PBMs, including CaremarkPCS, followed the same playbook to defraud their customers, using their massive leverage to extract kickbacks for themselves instead of negotiating for rebates to lower their customers' drug costs. And they will continue to take advantage of their customers and inflate the cost of healthcare until they are held accountable."

BLB&G filed a similar lawsuit on February 17 against Express Scripts, the nation's largest PBM, and its parent companies Cigna and Evernorth, on behalf of the Welfare Fund for Plumbers Local 130. Both the CaremarkPCS case and the Express Scripts case accuse defendants of violating the Racketeer Influenced and Corrupt Organizations Act and breaching their contractual obligations to PBM customers.

ABOUT BLB&G

Bernstein Litowitz Berger & Grossmann LLP prosecutes class and private actions on behalf of individual and institutional clients worldwide. Since its founding in 1983, the firm has recovered more than \$40 billion in cases ranging from securities fraud to healthcare fraud to racial discrimination. BLB&G is widely recognized as a preeminent litigation firm with a deep commitment to holding corporations responsible for their misconduct.

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