

# Wells Fargo sued over employee prescription drug costs

By [Daniel Wiessner](#) July 30, 2024

July 30 (Reuters) - Wells Fargo & Co ([WFC.N](#)) was accused in a lawsuit filed on Tuesday of mismanaging its employee health insurance plan and forcing tens of thousands of U.S. employees to overpay for prescription drugs.

The proposed class action filed in Minnesota federal court by four ex-employees of Wells Fargo claims the bank violated a federal law requiring companies to prudently manage employee health and retirement plans.

The former employees say that Wells Fargo's health plan pays inflated prices to pharmacy benefit managers (PBMs), who negotiate with drugmakers, health insurance plans and pharmacies to set prescription drug prices and decide which drugs will be included on their so-called formularies — lists of drugs covered by insurance.

The plan, for example, paid more than \$69,000 for a tube of cancer medication bexarotene that cost as little as \$3,750 at other pharmacies, and a markup of nearly 400% on generic "specialty drugs" used to treat certain conditions, according to Tuesday's lawsuit.

PBMs are facing [increased government scrutiny](#) over their role in escalating costs of prescription drug.

Wells Fargo in a statement said it was reviewing the lawsuit.

"Wells Fargo provides an array of benefits to our employees, which are provided to support the health of our employees and their families," the company said.

The lawsuit is the latest to accuse employer-sponsored health plans of failing to negotiate lower prices for drugs on behalf of participants, as prescription drug costs [continue to rise sharply](#) in the United States.

Johnson & Johnson is facing a proposed class action [filed in New Jersey federal court](#) in February claiming the company's mismanagement of a health plan cost workers millions of dollars in overpayments on drugs. The company has moved to dismiss the case, arguing that its plan has actually saved participants money and that the named plaintiff lacks legal standing to sue.

Tuesday's lawsuit proposes a nationwide class of Wells Fargo health plan participants and beneficiaries that could include tens of thousands of people, and seeks unspecified damages and statutory penalties.

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