

Chairperson Lampton, Vice Chair Barhorst and members of the House Insurance, I thank you for allowing me to present proponent testimony to you today. My name is Dale Bertke, I am a pharmacist and president of Schwieterman Pharmacy. Schwieterman Pharmacy has a pharmacy in four wonderful communities and employs fifty-five individuals. Our pharmacies are in West Central Ohio in Auglaize and Mercer counties. Schwieterman Pharmacy has been in existence since 1916. I have worked in a pharmacy for over 45 years and have been a pharmacist for 39 of those years.

Pharmacy Benefit Managers known as PBMs were originally established to assist employers and insurance companies in managing drug costs and establishing drug formularies. A formulary is a list of drugs that are covered by an individual's insurance. Today, the PBMs are integrated with large health insurers – are the intermediaries between insurance companies and health care providers, especially pharmacies. PBMs operate as a middleman and an insurer and operate their own pharmacies.

So let me share my experiences from last week with the committee:

On Monday, I went to fill a prescription for the child's ADHD medication. The PBM approved the claim, indicating that the patient/family would have a copay of \$10.00 and the PBM would pay the pharmacy approximately \$19.00, for a total of \$29.00. The drug cost the pharmacy over \$63.00 for the 30 capsules. The pharmacy was going to lose \$34.00 in this transaction. We called the mother and explained that we could not fill the prescription and lose \$34.00. The mother was not happy to hear this. The mother then picked

up the phone and called the PBM and was demanding answers. The PBM in turn called me and asked for an explanation. I explained to the PBM representative that this was not acceptable and losing money on filling prescriptions would drive me out of business. I asked for some concession from the PBM. The representative then began to read her script to me and stated “the PBM will allow up to \$135.83 for this 30-count prescription. I replied I’m not asking for \$135.83 but rather \$34.00 at least to break even on this prescription. The PBM representative spoke with her supervisor and came back stating that “the mother would need to get the prescription at a CVS pharmacy or a bigger pharmacy”. To which I responded, you will pay a CVS pharmacy \$135.83 for the prescription rather than pay me \$63.00. They wanted the patient to go to another pharmacy. The mother became upset and stated “I don’t want to drive 20 miles to get my child’s prescriptions. I would rather get them from my local pharmacy, and I don’t want to change pharmacies.”

On Tuesday, we had a patient wanting to get his third Hepatitis B shot to complete his series. He received his 1<sup>st</sup> shot in November 2<sup>nd</sup> shot in December and was wanting to get his 3<sup>rd</sup> shot. His insurance was declining to pay for the 3<sup>rd</sup> shot. The PBM was requesting a Prior Authorization be completed by the physician. We have never had this happen before. The patient was attempting to stay healthy and get vaccinated on time as requested by his physician. The patient’s insurance did not change from 2023 to 2024. The only thing that changed was the PBM managing his insurance plan.

Also, on Tuesday, I had a patient transfer a prescription to a “larger pharmacy” for the diabetic sensors. Only to have the pharmacy tell her they were out of stock, and her insurance would not cover them. So, the next day, she called me and asked that I transfer the prescription back to our pharmacy and fill the prescription for her sensors. She then stated, “I learned from my mistake today and thank you for being patient with me and filling my prescription”.

We often are not able to fill a prescription for a patient due to losing a considerable sum of money. I am not talking about a quarter, fifty cents or dollar, but rather \$10.00, \$30.00 or more. When we have one of these situations we must transfer the prescription to another pharmacy. This results in the patient filling their prescriptions at multiple pharmacies and often the pharmacist is not aware that the patient is getting medications at another pharmacy and the possible drug interactions and contraindications that could be happening and possible endangering the patient’s life. Polypharmacy is not a good thing.

These scenarios are all slightly different, but they also have a common thread, that we are putting patient’s health in danger and is a result of the PBMs behavior. I could provide many more scenarios of PBMs paying pharmacy below the cost of the drug and in some cases the patients copay is not being applied to the patient’s deductible. There has been a large increase in the number of prescription claims where pharmacy is being asked to pay the PBM for filling the prescription. I have seen this and experienced this. That

payment has been anywhere from \$1.00 to almost \$40.00. It is often more than what the pharmacy is being paid for the cost of the drug. Unfortunately, if nothing changes and the current continues many more pharmacies will close in the near future.

As you can see, the PBMs have been more self-assertive than ever before. There is little compassion from PBMs and minimal respect for the patient at times.

Community pharmacies employ on average over ten individuals per pharmacy. These employees contribute to the tax base of those communities and the state of Ohio. Community pharmacies are dedicated supporters of schools and community events. Pharmacies are often the only healthcare provider in a community.

This piece of legislation is needed immediately to save community pharmacies, especially those pharmacies in smaller communities. The failure to pass this legislation will result in pharmacy deserts in many areas of Ohio. Without this piece of legislation, more pharmacies will close requiring patients to drive longer distances to get their medications.