

House Insurance Committee members, I thank you for the opportunity to submit written testimony in favor of House Bill 505.

This legislative action is necessary to control the deceptive practices we as community pharmacists are experiencing everyday.

My name is Jarrett Bauder, and I'm the pharmacist in charge at Uptown Pharmacy in Westerville Ohio. I have had the privilege to provide care to patients through our pharmacy for over two decades. I absolutely love the ability to positively impact my patient's health through the practice of pharmacy. I can not imagine any other profession that could allow me improve my patients lives, build relationships, and better my community.

Just this week, after filling his prescriptions, helping select an Over-The-Counter item, and educating on how to properly use his inhaler, I had a patient say "Thank You for all you have done for me. We have been through a lot together since I had my stroke over twenty-five years ago, and I appreciate you being a part of my team."

I think back to the patient that came in not feeling well, where we were able to identify her blood pressure being over 180 over 100. We were able to get her husband to come pick her up and take her directly to receive care. She came back that day with prescriptions in hand, and over the course of the next couple months we helped her get her blood pressure under control, and navigate her insurance prior authorization system in order to receive her cholesterol medication that was identified as necessary after full cardiac work-up that resulted from her coming in saying she just wasn't feeling well while shopping and running errands that morning.

I think of the numerous patients and hospice nurses that have called our emergency line after hours (sometimes waking me up in the middle of the night) needing to have a medication filled because they just left the hospital, or need a medication that they couldn't find at another pharmacy.

My pharmacy meets those needs, cares for patients, and impacts our community. The reality is, over these two decades it has gotten harder and harder to operate our pharmacy. Pharmacy Benefit Managers (PBMs) designed to help control healthcare costs, have made operating a pharmacy very difficult. The reimbursement practices in place are imposed without consideration to the actual operating costs of running a pharmacy. Pricing contracts always have multiple calculations formulas for reimbursement, and it is always imposed in a manner that limits the pharmacy reimbursement. I do understand that the INTENT of the contract is to control costs, but the RESULT is an unfair playing field that leaves community pharmacy struggling to cover operating costs. Let me be vulnerable and share a glimpse into our pharmacy last month.

During the month of May, we provided 5096 prescriptions and services.

If I exclude items such as compounds and self-pay prescriptions that are not the focus of HB 505, I am left with 4374 claims in May. Those claims represent over \$230,000 in sales. Which sound great, until we look at the result because an average of \$3.18 gross profit.

The Ohio Department of Medicaid is required under ORC 5164.752 to conduct a cost of dispensing survey every two years. In The 2022 survey found that the weighted mean cost to dispense across all pharmacies was \$10.10. As a result, the Medicaid program set the dispensing fee at \$8.14 to \$11.00 depending on the pharmacy prescription volume because it was determined volume directly impacted the cost to operate the pharmacy.

If I take those numbers and look at my results for May I find that 1,971 of those claims (45%) had a Total reimbursement (drug cost and dispensing fee) of less than \$8.14. If I look at the \$11.00 end of that dispensing fee range, I had 2,409 claims (55%) that had a total reimbursement of \$11.00 or less.

The dispensing fee is added to the contracted drug product price. So my numbers would assume that the medications being provided had a value of \$0.00, so even more of my claims would have been impacted if we were just looking at the true dispensing fee aspect. 15% of these claims were reimbursed less than my invoice cost to bring the medication into the pharmacy. That's before our staff correctly entered the information into our system, adjudicated the claim to the insurance, counted and prepared the medication, packaged and labeled it, performed a double check for accuracy, did a Drug Utilization Review to confirm medication appropriateness, check for interactions, confirm dosing was correct, consider duplications in therapy, etc, then sold it to the patient, and confirmed they understood how to correctly use the medication and understood the benefits and potential side-effects they might expect.

I say all of this to remind everyone there is more to the prescription than the drugs in the bottle. There is also more expenses- labor, rent, utilities, credit card fees, software licenses, and operating license and permits just to name a few.

House Bill 505 would insure that community pharmacies are provided a fair playing field where it is possible to provide impact to our communities without financial harm.

Thank you for considering my testimony as you evaluate House Bill 505