



State Representative Tim Barhorst
State Representative Tex Fischer

HB 192 Sponsor Testimony
House Insurance Committee
Tuesday, May 6th, 2025

Chairman Lampton, Vice Chair Craig, Ranking Member Tims and my fellow members of the House Insurance Committee, thank you for the opportunity to provide sponsor testimony on HB 192, the Community Pharmacy Protection Act.

Many communities and constituents in our districts are facing or will soon face a healthcare access crisis as community and independent pharmacies rapidly close at the hands of Pharmacy Benefit Managers (PBMs) across Ohio. Ohio is losing two independent community pharmacies Pelphrey's Pharmacy, and Carson's Northridge Pharmacy this week, leaving the communities of Springfield and Huber Heights without community pharmacies.

The three largest PBMs in the United States control 80% of the market as third-party negotiators due to vertical integration. This legislation's primary purpose is to address a market failure, created by the policies and practices of PBMs, that are bankrupting community & independent pharmacies leading to pharmacy deserts across Ohio.

This legislation seeks to address three business tactics that PBMs are using to eliminate independent pharmacies in our communities:

- **Retaliation**
 - PBMs retaliate against Community Pharmacies through reimbursement rates, patient steering, and retroactive fee's similar to clawbacks.
 - The reimbursement rates typically aren't high enough for independent pharmacies to regain the cost from compounding and dispensing the drug.
- **Accreditation**
 - PBMs require independent pharmacies to meet certain 'standards' (in addition to those established by the State Board of Pharmacy) to enter their network and this process usually requires them to disclose proprietary information & data acting as a pseudo-regulator.
- **Auditing Protection**
 - PBMs often use audits as a tool for retaliation or to burden independent community pharmacies, requesting excessive documentation or targeting minor technical errors with little justification. These unnecessary audits can be triggered without cause, disrupt patient care, and pressure pharmacies into compliance with unfair practices.

In response to this growing healthcare crisis, this legislation will do the following:

- Stops PBMs from using retaliation tactics by banning contract terminations, surprise audits, or delayed payments against pharmacies that report violations or exercise their rights. It ensures due process with required notice and clear justification, holding PBMs accountable for fair treatment.
- Prohibits PBMs to have accreditation standards of any kind or certification requirements inconsistent with, or in addition to, the State Board of Pharmacy in exchange for network participation.
- Protects pharmacies from abusive PBM audit practices by prohibiting retaliation through excessive or unjustified audits. It requires PBMs to give 90 days' notice and a clear explanation before increasing audit frequency, ensuring transparency and fairness.

To provide transparency, HB 192 also requires an itemized receipt be submitted to insurers and plan sponsors in the form of an electronic report that is machine-readable and discloses all drug claims processed in the previous month.

These receipts will also denote the actual acquisition cost of each prescription drug for every claim, ensuring transparency by allowing employers to audit their drug costs and the ability to determine if the drug coverage plan meets their financial standards.

Opponents of this legislation will try to convince you that the PBMs are not to blame. They will claim that HB 192 will increase the costs of prescription drugs further, that drug manufacturers and PSOs are to blame, and that the business model of independent pharmacies is no longer viable in today's market.

How are manufacturers to blame when the only entity able to negotiate the prices of prescription drugs are the PBMs themselves?

How can any business model be successful if the pharmacies must incur losses by signing a contract with no viable alternatives and risk not being able to do business at all? Especially when the contracts are 'take it or leave it' deals from the PBM oligopoly.

How can we determine the true costs for prescription drugs will go up if we don't ever know a price in the first place?

It is our hope these provisions will help community and independent pharmacies remain in business for the long term to provide critical healthcare services for constituents in our districts across Ohio. We must remember that not only are they healthcare providers, but they are also small businesses and community partners.

I like to thank Chairman Lampton, the entire Insurance Committee and my Joint Sponsor Representative Fischer for the opportunity to provide sponsor testimony on HB 192. We would be happy to answer any questions at this time.

Tim Barhorst



Serving Champaign, Shelby, and part of Logan County

Last Year 2024 OHIO
191 Community Pharmacies
CLOSED!!

> 2,000 JOBS
LOST!!

> 1 million OHIOANS
Lost their
PHARMACY!

9:28

87

← Pelphrey's Pharmacy

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Pelphrey's Pharmacy

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Dear Valued Customers and Friends,

It is with mixed emotions that we write to inform you that Pelphrey's Pharmacy will be permanently closing its doors on Wednesday, May 7th at the close of business.

Serving you and our community for the last four years has been a true privilege and honor. We are deeply grateful for the trust and loyalty you have placed in us. This decision was not made lightly, and it comes after careful consideration of several factors that have made it difficult for us to continue operating.

To ensure a smooth transition for your healthcare needs, we have made arrangements for your prescriptions and records to be transferred to Kroger located at 7747 Old Troy Pike in Huber Heights. They will be able to assist you with refills and any questions regarding your medications.

We are incredibly thankful for the relationships we've built and the opportunity to be part of your lives. We wish you continued health and wellness.

Warm regards,
Bruce and Lisa Pelphrey
Pelphrey's Pharmacy

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Jo Carson

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The hardest announcement I have ever had to make...

On Thursday, May 8th, [Carson's Northridge Pharmacy](#) will be closing it's doors after an amazing 8 years in business.

Over 300 independent pharmacies have been forced to close their doors in 2025 alone. We are grateful that we have been able to serve our community, fighting everyday to keep pushing forward. Unfortunately, the PBM reforms we have been hopeful for haven't worked in our favor and we continue to see low insurance reimbursements and losses on at least 30% of our daily prescriptions.

I have invested my life savings into my dream, building it from the ground up. This decision was extremely difficult for me, but this system makes it nearly impossible for the little guys to survive. A heartfelt thank you goes out to you all for your support over the years! And to my team who has been through the ups and downs with me, I appreciate you more than you know! In the meantime, all prescription files will be sent to Kroger (Derr Rd) on Friday, May 9th, but we are here to help in any way until then.

Thank you again Springfield, and you never know, I might be back again someday in the future! ❤️👍

80

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Mickie Bradshaw

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