October 6, 2025

Chair Lampton, Vice-Chair Craig, Ranking Member Hall & Committee Members

I want to thank this committee for allowing me to speak again on behalf of retail pharmacies. My name is Dennis Blank, and I am pharmacist. My resume includes past co-owner of retail independent chain; district pharmacy coordinator, third party coordinator and retail pricing manager for Kroger's; and VP of pricing and third-party compliance for Omnicare. Currently I practice part time pharmacy for the Medicine Shoppe of Urbana Ohio and provide business consulting.

As given in my previous testimonies before the State House & Senate, I am in support of House Bill 192 to Enact the Community Pharmacy Protection Act because it is a necessity to help stop the current epidemic of pharmacies closing. **Pharmacies are dying** due to below cost reimbursement! A pharmacy is closing every day nationwide. In Ohio, in your city, and in your community there are closures occurring recently & right now due to reimbursements below the cost of product & dispensing costs. And why is this happening? Because the Pharmacy Benefit Manager, the middle man, can. There is no transparency, no regulation, no oversight, and they have no conscious.

There are staggering examples of below-cost payments that **are the rule in over 90% of transactions**. My previous testimonies also gave examples of reimbursement at 10% below the medication cost and fees ranging from zero to 20 cents without any process to make adjustments or communication from the PBM where they get this cost or where it can be purchased at this price. **It is not transparent and totally autocratic**.

There are 3 major PBM's and they control 80% of the third party business. All three are using the same reimbursement tactics. To not sign up with them would mean that your business model would be doomed since 80% of the customer base would be gone. To sign up with them is a slow death as seen by the rapid amount of pharmacy closures in the last 2-3 years. There is no other business, even outside of the health industry, that is reimbursed below the cost of the product with little or no fee for providing that product. Why is this allowed in Pharmacy? The answer is quite simple: no transparency, no oversight and no alternative.

Transparancy: The PBM does not show anything to anyone. The business that chooses the insurance to sign up the employee's does not see what the pharmacy is being reimbursed versus what they are charged; the PBM does not acknowledge where they get their cost reimbursements and the PBM does not expose their pricing model.

No oversight: PBM's currently answer to no one. This bill requires them to submit to the Superintendent of Insurance and its contracted insurers and plan sponsors a quarterly electronic report of all drug claims processed by the PBM during the previous month including an itemized list of the actual acquisition cost of each drug product from all drug claims processed by the PBM in the previous quarter, with specified information about the drug's acquisition. PBMs would be required to reimburse Ohio-incorporated pharmacies that dispense a drug product for the "actual acquisition cost," i.e., the amount paid to the drug wholesaler, plus a minimum service fee determined by the Superintendent of Insurance.

No alternative: 90% of pharmacies customers have third party insurance. We cannot survive on the small amount of customers that pay 100% of the cost. Without this bill we have no customer base.

The last point I want to discuss is the PBM's claiming this dispensing or service fee would be a Pill tax. Where they came up with this terminology, I do not know or understand, nor are they explaining. Google search says "the most direct reference to a "pill tax" is the Branded Prescription Drug Fee (BPDF), an annual, non-deductible tax imposed on pharmaceutical manufacturers and importers", which has nothing to do with this issue. Let's be clear, patients with a copay are contractually bound to that copay and it does not change with this bill. In the states that passed similar legislation have not had rates or copays increasing according. What this legislation does is have accountability to the PBM's to reimburse accordingly. Just as Ohio Medicaid found out when they went to a single benefit manager outside of the top three PBM's, they saved Ohio millions and starting reimbursing pharmacies their cost with an accountable service fee.

Respectfully,

Dennis B. Blank, R.PH