



**NACDS Testimony to Ohio House Health Committee on the Community Pharmacy Protection Act
House Bill 192
March 11, 2026**

Honorable Chair Lampton, Vice Chair Craig, Ranking Member Hall and members of the House Insurance Committee, the National Association of Chain Drug Stores appreciates the opportunity to provide written testimony in support of crucial provisions within House Bill 192 – the Community Pharmacy Protection Act. These provisions address long-standing pharmacy benefit manager (PBM) practices that undermine patient access, impact the prescription drug market, and threaten the viability of community pharmacies. This legislation ensures community pharmacies remain accessible, patient-focused healthcare settings that provide and serve many Ohioans throughout the state.

Community pharmacies are well-positioned to offer medication dispensing, patient counseling, medication therapy management, immunizations, and other essential services that improve health outcomes and support the well-being of local communities. For many Ohioans, particularly those in rural and underserved areas, the local pharmacy is often the most convenient and trusted point of care. The continued ability of community pharmacies to provide these services depends on a fair and transparent prescription drug marketplace. However, PBMs are largely unregulated and the current structure and lack of oversight of PBM activities have significant implications for patient access, pharmacy sustainability, and the overall cost of care.

Guardrails, such as those introduced in HB 192, are necessary to ensure that PBM practices do not limit patient choice, restrict pharmacy participation, or undermine the stability of the community-based pharmacy network that so many Ohioans rely upon. For example, NACDS appreciates the invaluable provision of the legislation that clearly establishes the core tenets of reimbursement methodology for prescription drugs dispensed by pharmacies. Pharmacy reimbursement should be comprised of two parts: 1) the product cost; and 2) a professional dispensing fee across payer markets to help ensure reasonable reimbursement and sustainable pharmacy services for beneficiaries. HB 192 requires PBMs to reimburse Ohio pharmacies for drug products at the actual acquisition cost as well as a dispensing fee informed by data from a frequently conducted cost of dispensing survey. The dispensing fee is typically calculated to incorporate the costs of a pharmacist’s time reviewing the patient’s medication history/coverage, filling the container, performing a drug utilization review, overhead expenses (rent, heat, etc.), labor expenses, patient counseling, and more to provide quality patient care. To maintain availability and access to certain prescription drugs for patients across Ohio, it is imperative that these cost considerations include both the product costs of the drug and a professional dispensing fee – a core component of pharmacy reimbursement.

Another notable component of the legislation is the bill’s clear and consistent definition of “specialty drug” preventing any inappropriate classification of medications in ways that could restrict patient access or exclude pharmacies from providing care. In early 2025, the Federal Trade Commission (FTC) released the [Second Interim Staff Report](#), which found that the Big 3 PBMs marked up numerous specialty generic drugs dispensed at their affiliated pharmacies by thousands of percent, and many others by hundreds of percent. Of the specialty generic drugs analyzed in the report and dispensed by the Big 3 PBMs’ affiliated pharmacies for commercial health plan members between 2020 and 2022, 63 percent were reimbursed at rates marked up by more than 100 percent over their National Average Drug Acquisition Cost (NADAC), while 22 percent were marked up by more than 1,000 percent. Additionally, the Big 3 PBMs reimbursed their affiliated pharmacies at a higher rate than unaffiliated pharmacies on nearly every specialty generic drug examined. These large markups and disparities in reimbursement rates were present across critical drugs used to treat serious diseases and conditions, including cancer, HIV, multiple sclerosis, and pulmonary hypertension, among others.

The bill also includes several provisions intended to address practices that can limit patient choice or disrupt the patient-pharmacist relationship. Safeguards related to patient steering, the imposition of higher cost-sharing when patients choose unaffiliated pharmacies, and restrictions on reimbursement reductions for legitimate pharmacy services help reinforce the principle that patients should be able to access their medications through the pharmacy provider of their choice.

These provisions lay a foundation towards impactful PBM reform that is necessary to maintain a strong and accessible pharmacy network. Community pharmacies are consistently recognized for the essential healthcare services they provide. Ensuring that pharmacies can continue operating sustainably within the prescription drug marketplace helps preserve these services for patients throughout the state.

Once again, NACDS appreciates the House Insurance Committee's leadership in examining relevant healthcare policies that strengthen transparency, protect patient access, and support the stability of Ohio's community pharmacies. We welcome the opportunity for further discussion and urge your support for Ohio HB 192, the Community Pharmacy Protection Act.



To: Honorable Members of the House Insurance Committee
Date: March 10, 2026
RE: Support HB 192

We write to respectfully urge you to build on recent federal action to rein in PBM practices by supporting and advancing HB 192. This critically needed bill would adopt reforms that benefit patients and employers, while also requiring PBMs to reimburse pharmacies at rates that reflect the actual cost to acquire and dispense medications. Pharmacies serving millions of Ohioans each day need prompt action to address the pharmacy access crisis—driven by PBMs underpaying competing pharmacies while steering higher-cost prescriptions to affiliated pharmacies.

According to the Ohio Board of Pharmacy website, **82 Ohio community pharmacies closed in calendar year 2025—up from 35 closures as of May 2025—a 134% increase in six months.** This trend underscores the need for fair, full, cost-based reimbursement to protect pharmacy access for patients and employer plan sponsors.

There is no evidence that cost-based pharmacy reimbursement increases premiums. A recent West Virginia [study](#) reviewed premium changes in the commercial market after implementation of the state's 2022 PBM reform law, which required reimbursement at NADAC plus a \$10.49 professional dispensing fee. The study found the law did not drive standard premium increases, and that certain provisions were associated with below-average premium growth. Claims to the contrary overlook the inherent savings employers could capture through HB 192, including specialty protections, anti-steering provisions, and the at-cost ingredient benchmark. Ohio Medicaid adopted similar reforms and has saved more than \$140 million, serving as a model for other states.

In closing, **we urge you to support and advance HB 192.** Action is needed now to help stabilize Ohio pharmacies and preserve patient access to life-saving medications and essential healthcare services.

Thank you in advance for your thoughtful consideration.

HB 192

the Community
Pharmacy Protection Act

Myth vs. FACT

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HB 192 creates a “pill tax.”



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Dispensing fees are not a tax. They are a **long-standing part of pharmacy reimbursement** used by both public and private payers **to cover the labor and overhead required to safely dispense medications.** When combined with reimbursement for the pharmacy’s actual cost to buy the drug, a standard dispensing fee allows pharmacies to break even. **Paying the market rate for goods and services is not a tax – it’s how every business operates.**



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A mandated dispensing fee will increase costs for employers and employees.



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PBMs already generate substantial revenue and can reimburse pharmacies fairly without increasing premiums or patient costs. Numerous studies* show that **PBMs drive higher employer costs by steering plans toward higher-priced drugs, retaining rebates, and profiting from spread pricing.** Importantly, while premiums rise annually across markets for many reasons, **there is no evidence tying PBM reforms – such as commercial rate floors with dispensing fees – to premium increases.** States like West Virginia and Kentucky that have adopted these policies have **not attributed premium changes to PBM reforms.**



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Requiring PBMs to cover drug costs and a dispensing fee removes incentives for pharmacies to negotiate lower prices.



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HB 192 only requires reimbursement of a pharmacy’s average actual cost to purchase and dispense a drug – a break-even standard. **Pharmacies still have strong incentives to negotiate better prices with wholesalers.**

PBMs, not pharmacies, control which drugs are covered. If PBMs are concerned about drug costs, they can include more lower-cost medications on formularies rather than steering patients toward higher-priced drugs that generate larger rebates.



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HB 192 could cost Ohio more than \$6 billion over ten years.



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There is no evidence to support this claim. **Costs would only increase if PBMs chose to shift expenses to employers and patients rather than absorb them from existing profits.**

Again, **West Virginia and Kentucky have implemented similar reforms without experiencing these cost increases.**



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Ohio should rely solely on free-market solutions instead of new mandates.



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The status quo does not reflect a free market, as a **small number of very large, powerful, vertically integrated PBMs wield their market power to force pharmacies to accept anti-competitive contractual terms.**

Even free-market organizations, including the Mackinac Center, support PBM reforms because of the **extreme imbalance of leverage and contracting practices that prevent fair competition.**



*1 Federal Trade Commission, Specialty Generic Drugs: A Growing Profit Center for Vertically Integrated Pharmacy Benefit Managers, Second Interim Staff Report (Jan. 2025).
*2 Federal Trade Commission, Pharmacy Benefit Managers: The Powerful Middlemen Inflating Drug Costs and Squeezing Main Street Pharmacies, Interim Staff Report (July 2024).
*3 Federal Trade Commission, Caremark Rx, Zinc Health Services, et al., In the Matter of (Insulin), Administrative Action (Jan. 8, 2026).

**QUESTIONS? Please contact Jill McCormack, NACDS
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