

The Ohio Senate Finance Committee

The Honorable Jerry C. Cirino Chairman

Subject: Comments concerning H.B. 96

My name is Robert D. Mabe. I am seventy seven years old and been a registered pharmacist for 54 years. I own 2 pharmacies serving Pickaway County Ohio residents: Ashville Apothecary in Ashville OH (est 1979) and Circleville Apothecary (est 2004) in Circleville OH 43113.

I am sure that you will hear testimony and receive written letters from my fellow entrepreneurs about the sad state of Pharmacy Benefit Manager's (PBM) and independent pharmacy. The PBM companies control 80-90% of the prescription market. Their contracts with independent stores control reimbursement, determine the cost of goods sold, audits, and a questionable lack of legal ability to negotiate PBM contracts. **These vertically managed health care systems have driven my two pharmacies to the brink of closing despite 46 years of serving our patients and communities well.**

Any business owner or stock holders- not only pharmacists -knows the basic formula: gross sales-fixed cost-variable costs=gross profit-cost of goods sold=profit or loss. **The PBM's know that by controlling 80% to 90% of our patients base they can control our gross profit and cost of goods sold and weaken us to where we are forced to close. According The Ohio Board of pharmacy in 2024 they reported 19 independent stores closed. Worse in 2025 after 6 months alone 17 independents have closed.** With the local pharmacy eliminated our patients not only lose local access but have few options for their medical needs.

In 2010 my son Stephen Mabe became a registered pharmacist and I proudly agreed to welcome him as a company employee. He would like to take over ownership from me. However he now has his doubts concerning if the business will be profitable. Since 2016 our profits have steadily eroded due to PBM DIR fees (since discontinued January 2025) and now PBM predatory manipulation of what we are paid for our services. The PBM's are so powerful that they offer us only take it or leave it contracts. As owners we face this quandary: If we don't sign on PBM terms they cancel our contracts and lose 80-90% of our patients. If we do sign on PBM terms we are reimbursed at such a low rate we risk closing our doors.

In our last fiscal year despite cutting hours and 1/3 of our employees we lost money. And realistically will lose money this fiscal year. Stephen and I are faced with few alternatives. Sell to another pharmacy at less value or close our doors. Also I might add that we no longer market

our services to new arrivals to our community because in most cases we would lose money on their prescriptions.

Finally and tragically the PBM's ability to monopolize the market results in young pharmacists who may wish to privately own their pharmacies being closed out along with the patients they could serve and their benefits to the community. Even the most entrepreneurial will face the reality that there may be little or no return for their personal and financial sacrifices if a lack of store profitability cannot sustain their business.

For 46 years my pharmacies have been convenient trusted sources for local needs. Thanks to my many loyal patients I have had a successful career despite incredible pressures from PBM patient steering schemes and constant attempts to use company connected mail order.

You have many decisions concerning the budget in the near future. I am sure the well financed PBM lobby will have their own arguments concerning this topic. I would ask you consider supporting HB 96 and keep community pharmacists vital once again.

Sincerely yours,

Robert D. Mabe R.PH.

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