

I am writing this testimony in strong support of passing the Fair Reimbursement for Independent Pharmacies Amendment on the Ohio Budget Bill HB 96. This amendment is a crucial step toward the survival of every independent pharmacy in the state of Ohio.

I am the owner of Cheffy Drugs, an independent pharmacy situated in Barnesville, Ohio. In January 2025, we commemorated our centennial anniversary. Notably, the building has served as a pharmacy since 1865. Independent pharmacies play a vital role in their communities. We deliver medication to customers who are unable to visit the store. Additionally, we sponsor local little league teams, purchase 4H projects at county fairs, and contribute to community benefits. Our services extend beyond merely providing prescriptions; we are deeply invested in our community both financially and personally. My pharmacy employs 10 hard working individuals that I consider to be my family. One shining example of what our pharmacy means to our patients is from last week. One of our patient's wife passed away late Sunday night, his first stop coming home from the hospital was to my pharmacy. We cried and talked with him for over an hour. He came back the next day to have us help him with the funeral arrangements. Simply put, he was lost without his wife and needed our family for comfort and support. We love our patients.

Imagine a system where one business controls the financial outcomes of its competitors. Such as McDonald's telling Burger King how much they can sell a Whopper for or Chevrolet dictating to Ford who can buy their vehicles and for how much. In 2024 we filled 1529 prescriptions that were reimbursed at less than our cost totaling \$40,000 in losses on \$782,000 of inventory. Since January 1, 2025 we have filled nearly 1000 prescriptions where our total reimbursement is less than \$1. Recently I filled 2 prescriptions for my father and my total reimbursement was 25 cents on each prescription. What business could survive on these payments? I have personally used funds from my savings, my retirement funds, and loans that I most likely will not be able to pay back in my lifetime to stay in business. The PBM industry is financially strangling non-PBM owned pharmacies, causing 215 closures in Ohio last year per the Ohio State Board of Pharmacy. PCMA testified recently that there were no independent pharmacies that closed in 2024 and that we grew in numbers THAT IS A LIE. The "Big Three" (CVS/Caremark, Express Scripts, & Optum) control 90% of U.S. prescriptions and own various pharmacy types such as retail, mail order & specialty pharmacies. This monopoly leaves thousands of Ohioans jobless and many lack access to trusted pharmacies, especially affecting the elderly and those with limited means. Think of the loss of tax revenue for the state and local governments as well. Big corporations take money away from Ohio while independent pharmacies reinvest in Ohio. Ohio has state minimum laws in place for beer and cigarettes to preserve orderly competition, ensure fair prices, and assure adequate consumer choice. Why do we not

have these laws for pharmacies? There is verified data available to show that pbm owned pharmacies are reimbursed at much higher rates than independent pharmacies.

Ohio is currently experiencing pharmacy deserts. In response, the State Board of Pharmacy has developed a website to monitor and provide information on pharmacy closures. Failure to pass this legislation will exacerbate the issue at hand. We are approaching a significant health crisis. The PBMs employ misinformation strategies otherwise known as lies to convince the public that this legislation is detrimental to Ohio residents. They claim it imposes a "tax" on prescriptions, which is incorrect, as prescriptions are non-taxable. Additionally, they might assert that they reduce healthcare costs and that costs could increase by \$600 million; however, evidence from Ohio indicates this is not true. When pressed to show proof or be transparent, they simply refuse. The FTC recently filed suit against the "big three" for price fixing insulin. From elementary school on we were always taught to show our work, the pbms have refused to provide legally required data. They refuse to show their work.

In 2024, Ohio Medicaid achieved savings of over \$140 million by eliminating multiple PBMs and using a single pass-through PBM model Gainwell while paying pharmacies fair dispensing fees. In other words, we have shown our work. Healthcare dollars will be saved.

My building has housed a pharmacy since 1865. We have endured significant historical events such as the end of the Civil War, two World Wars, the Great Depression, two global pandemics, and several recessions. Currently, corporate greed threatens our existence. Please preserve our legacy by supporting fair reimbursement to save Ohio's independent pharmacies.

Thank You

Patrick Kovacs, Owner

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