

Dr. Ryan Waldschmidt, PharmD, RPh
Regarding Ohio Senate Finance Committee Ohio Budget Proposal
05/30/25

My name is Dr. Ryan Waldschmidt, and I am a pharmacist that has served three different independent Ohio pharmacies over the past several years. I am testifying in support of the retention of the Barhorst payment transparency provision and the single Pharmacy Benefit Manager (PBM) model for Ohio Medicaid, as well as the inclusion of HB 229 on PBM reform.

The Barhorst payment transparency provision requires pharmacies to be paid at cost. Independent pharmacists like me are exhausted with ethical dilemmas, forcing us to make choices between providing our patients access to medications and keeping the business open.

For example, I recently submitted a claim to fill 90 tablets of Xarelto, a blood thinner that helps prevent clots that could lead to a heart attack or stroke. The patient copay was \$50, but the pharmacy would have been reimbursed a total payment that was \$70 less than the cost of the drug. Afterwards, I submitted a claim to fill 30 tablets of Xarelto. The patient copay was about \$550, but the total payment to the pharmacy was about \$7 above the cost of the medicine. Filling 90 tablets would save the patient about \$1500 over a three month period, but at a \$70 loss to the pharmacy. Conversely, filling 30 tablets would be a more financially sustainable option for the pharmacy, but at a substantial cost to the patient.

The above ethical dilemma scratches the surface of the jungle of PBM price gouging and overcharges to patients and pharmacies. In October of 2022, Ohio Medicaid switched to a single PBM model, ultimately escaping the current PBM marketplace. This single PBM has, as far as I have seen in my experience, fairly reimbursed pharmacies for the cost of the medications plus a reasonable dispensing fee. Even with fair pharmacy reimbursements, the Department of Medicaid found in a recent study that the state saved a net \$140 million in the first two years since its implementation.

The inclusion of HB 229 is vital to stop the monopolistic behavior of PBMs. The example above, and many others I see on a daily basis, demonstrate the harm that results from reliance on the top three PBMs, which control 80% of the market. Ohio businesses and patients deserve transparency in their pricing, and that starts with House Bill 229. It must be added to the budget.

The Ohio Board of Pharmacy recently shared a new data tool that quantifies the number of pharmacy closures over the past several years. This tool shows the number of pharmacies in Ohio dipped below 2000 for the first time in memory. More concerning is that one prominent leader of the PBM marketplace has publicly stated that the country has too many pharmacies. From my perspective, based on persistently low reimbursement rates to pharmacies, it appears to be an unrelenting goal of PBMs to close pharmacies, particularly pharmacies that are not owned by a PBM. The inclusion of HB 229 and the retention of the Barhorst payment transparency provision and the single Pharmacy Benefit Manager (PBM) model for Ohio Medicaid are small steps to help address the monumental issues facing pharmacy today.

Thank you for your time and attention to these important issues. Please help us.