



OHIO CHAMBER OF COMMERCE

Molly Mottram, Director of Healthcare Policy

Ohio Chamber of Commerce

Interested Party– *House Bill 96*

May 14, 2025

Chair Manchester, Vice Chair Brenner, Ranking Member Weinstein and members of the Senate Government Oversight and Reform Committee. Thank you for the opportunity to provide testimony on House Bill 96, the State Operating Budget. My name is Molly Mottram, and I am the Director of Healthcare Policy at the Ohio Chamber of Commerce.

For 132 years, the Ohio Chamber has been the state's foremost advocate for business, representing 8,000 companies operating across Ohio. Our mission is to vigorously promote free enterprise, economic competitiveness, and growth to benefit all Ohioans. Recently, a survey conducted by the Ohio Chamber's Small Business Council revealed that 76% of small business members identified the cost of health care as their top business concern from a list of 30 key issues, ranking it above workforce challenges and broader economic conditions.

That is why I am here today to express the Chamber's strong concerns regarding a provision in the budget that would require Pharmacy Benefit Managers to reimburse only Ohio-incorporated pharmacies for the "actual acquisition cost" of drugs, plus a dispensing fee set by the Ohio Department of Insurance (ODI). This language was inserted into the House Omnibus version of the budget without input or awareness from key stakeholders. It's identical to a provision previously included in House Bill 505 in the last General Assembly, which failed to advance out of House Insurance Committee due to widespread concern from the business community. Reviving this measure through the budget process circumvents formal legislative vetting and robust debate to find a compromising solution.

This provision will significantly increase healthcare costs for employers and their employees. Dispensing fees could range from \$10.50 to \$15.47 per prescription. For Ohioans filling multiple prescriptions monthly, these costs will compound rapidly, potentially resulting in a multibillion-dollar hidden tax increase on Ohioans.

At a time when businesses across Ohio are already struggling with rising healthcare costs, this provision would only make it harder to offer affordable coverage and remain competitive. This budget provision would also permit Ohio-incorporated pharmacies to refuse to dispense medication if they determine the reimbursement is insufficient, raising concerns about potential disruptions in patient access to medications.

Additionally, tasking the Ohio Department of Insurance (ODI) with the responsibility of setting dispensing fees would significantly expand the agency's regulatory reach beyond its traditional scope and present practical challenges. ODI currently does not have pharmacy-specific expertise and would need to hire additional staff, expand resources, and increase its budget to manage these duties effectively.

In conclusion, while the Chamber supports efforts to improve transparency and fairness in the pharmacy supply chain, this amendment will have unintended consequences on the business community and increase the costs of healthcare. We respectfully urge the Senate to remove this provision from the budget and instead work with all stakeholders through the legislative process to find solutions for improved transparency.

Thank you for your time and consideration, and I am happy to answer any questions you might have.