

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.

Imagine a system where one business controls the financial outcomes of its competitors. The PBM industry is financially strangling non-PBM owned pharmacies, causing nearly 200 closures in Ohio last year. In 2024 Cheffy Drugs lost over \$400,000 as evidenced by our income tax return. 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.

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 to convince the public that this legislation is detrimental to Ohio residents. They might claim it imposes a "tax" on prescriptions, which is incorrect, as prescriptions are non-taxable. Additionally, they might assert that they reduce healthcare costs; however, evidence from Ohio indicates this is not true.

In 2024, Ohio Medicaid achieved savings of over \$140 million by eliminating multiple PBMs and using a single pass-through PBM model while paying pharmacies fair dispensing fees. The PBMs, through the Pharmaceutical Care Management Association (PCMA), are expected to allocate funds for lobbying efforts as a standard practice. It remains to be seen when our senators will address this issue on behalf of their constituents.

The United States spends the most on prescription drugs globally and is the only country with PBMs. Unlike independent pharmacies that prioritize customers' health, PBMs only care for the financial health of their shareholders.

Arkansas has recently enacted legislation prohibiting Pharmacy Benefit Managers (PBMs) from owning retail pharmacies. In response, CVS/Caremark announced plans to close

pharmacies rather than alter their PBM operations. This decision reflects their prioritization of profit margins. Currently, 24 states have implemented PBM-related legislation, with many others considering similar measures. It is time for Ohio to position itself as a leader in PBM reform. Help save small business in Ohio.

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 the amendment to save Ohio's independent pharmacies.

Thank You

Patrick Kovacs, Owner

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