

Senate Government Oversight and Reform Committee
House Bill 96 | May 14, 2025
Joe Craft Testimony

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 proponent testimony today on House Bill 96, the state operating budget.

My name is Joe Craft. I am a pharmacist.

I support the fair pharmacy reimbursement provisions in the operating budget.

These fair reimbursement provisions will help slow pharmacy closures and help maintain access to pharmacists and pharmacies that Ohio citizens depend on. The provisions will also help slow the spread of pharmacy deserts, ensuring Ohioans have adequate access to healthcare no matter their zip code.

I'd like to tell you some of my story.

My wife, Robin, who is also a pharmacist, and I were the owners of four pharmacies within central Ohio, including Plain City Druggist in Plain City, until we closed all 4 locations in February 2024.

I've been a pharmacist for 30 years and was a pharmacy owner for 25 years.

We didn't close in 2024 because all of a sudden, we forgot how to run a successful small business after 25 years in business.

To put it simply, Pharmacy Benefit Manager (PBM) Abuses, which there are many, put us out of business.

PBM Abuses put us out of business.

We owned four stores and were having the same problem at each location. We weren't making enough to cover the costs of operations, because of low reimbursement.

We had plenty of business, but the business we had didn't cover our costs to operate. We served 10,000 unique people in 2023.

Across our four stores, in 2023, we filled over 170,000 prescriptions and gave thousands of vaccines. We employed about 50 people and had about \$12 million dollars in gross sales for 2023.

It is not true that we were not supported.

Our people supported us and we had more business in 2023 than ever before. The problem is that this was not a fair playing field. The **PBM**s dictated what we were paid and stole from us, so that we could not succeed. No matter how busy we were.

Our pharmacies were financially ruined by the greed of the **PBM**s. Our patients lost vital access to our pharmacists and pharmacies in their communities. In three of the rural locations, there are no other pharmacies in the zip code. The **PBM**s have created pharmacy deserts where we closed.

All Community pharmacies like ours are also struggling with these issues.

In 2024 alone, the Ohio Board of Pharmacy reported over 191 community pharmacies closed in Ohio. So almost 10% of the community pharmacies closed in just one year. These stores would represent about 2,000 employees and took care of about 800,000 Ohioans.

Unfortunately, it's too late for these and our pharmacies and communities. We must do something before others are forced to face the same impossible decision we did ----**to close for good**.

Please reach out to me if you need anything further.

I support the fair pharmacy reimbursement provisions in the operating budget.

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Respectfully,

Joe Craft

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614-573-1557



WE
APPRECIATE
YOUR
BUSINESS!





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OHIO APOTHECARIES

PLAIN CITY DRUGGIST, HAPPY DRUGGIST: COLUMBUS, WEST JEFFERSON, MECHANICSBURG



25 YEARS AS
PHARMACY OWNERS
JOE & ROBIN CRAFT



4 LOCATIONS THROUGHOUT
CENTRAL OHIO
3 RURAL AND 1 URBAN



10,000
UNIQUE PATIENTS
SERVED



170,000
PRESCRIPTIONS
FILLED



93 HOURS OF
DELIVERY DRIVER
HOURS PER WEEK



750
PRESCRIPTIONS
DELIVERED PER WEEK



\$12 MILLION
IN ANNUAL
SALES



50
PHARMACY
EMPLOYEES



\$1.3 MILLION
ANNUAL
PAYROLL



8,000+
VACCINES
GIVEN



10
OFFSITE FLU/COVID
CLINICS



EXPENSES
BELOW INDUSTRY
AVERAGES



2016-2023
OVER \$2 MILLION IN DIR FEE
CLAWED BACK



LOST
\$311,000
IN 2023

CLOSED IN 2024

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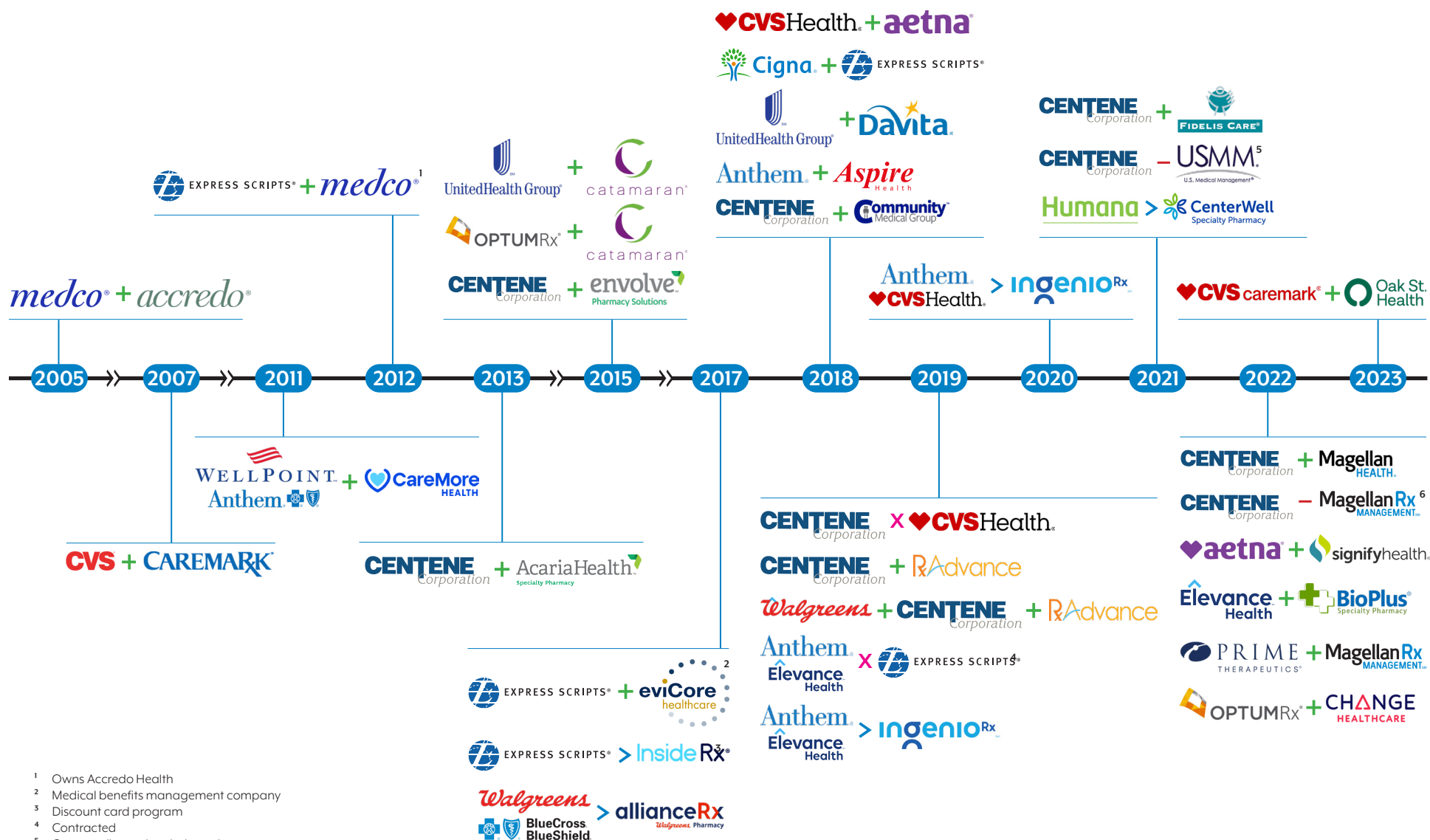
Joe Craft

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PBM Mergers – Acquisitions – Contracts Timeline

KEY: + ACQUISITION/MERGER | - DIVEST | > LAUNCH | X SPLIT



¹ Owns Accredo Health

² Medical benefits management company

³ Discount card program

⁴ Contracted

⁵ Centene divested majority stake

⁶ PBM

Vertical Business Relationships Among Insurers, PBMs, Specialty Pharmacies, Retail Pharmacies, Mail-Order Pharmacies and Providers, 2022



¹ In September 2022, CVS Health announced its acquisition of Signify Health. The transaction is expected to close in 2023.

² Since January 2021, Prime's Blue Cross and Blue Shield plans have had the option to use Express Scripts or AllianceRx Walgreens Prime for mail and specialty pharmacy services. On Dec. 31, 2021, Walgreens purchased Prime Therapeutics' 45% interest in AllianceRx Walgreens Prime, so this business has no PBM ownership in 2022. Effective June 2022, the company has been known as AllianceRx Walgreens Pharmacy.

³ In 2021, Centene has announced its intention to consolidate all PBM operations onto a single platform and outsource its PBM operations to an external company.

⁴ In 2021, Centene sold a majority stake in its U.S. Medical Management to a group of private equity firms.

⁵ Since 2020, Prime has sourced formulary rebates via Ascent Health Services. In 2021, Humana began sourcing formulary rebates via Ascent Health Services for its commercial plans.

⁶ Cigna also partners with providers via its Cigna Collaborative Care program.

⁷ In 2022, Humana announced an agreement to divest its majority interest in Kindred at Home's Hospice and Personal Care Divisions to Clayton, Dubilier & Rice. In 2022, Kindred at Home was rebranded as CenterWell Home Health.

Sources: Drug Channels Institute research and Nephron; Companies are listed alphabetically by insurer name.

* CVS Pharmacy is owned by CVS/Caremark.