

Hello,

I want to thank this committee for allowing me to speak on behalf of retail pharmacies. My name is Bryan Thompson, and I am the owner of Medicine Shoppe of Urbana for the last 22 years. Medicine Shoppe of Urbana provides prescription services to the public of Champaign and surrounding counties. We provide Immunizations in our store and throughout the community, special packaging for the elderly and disabled, delivery to those who have limited transportation, provide oxygen, cpaps, hospital beds & other durable medical equipment, set up health fairs, & support community projects financially.

In the last 5 years retail pharmacies have seen cutbacks in reimbursements from Insurances and their Pharmacy Benefit Managers (PBM's) that have resulted in costs below our purchase price. I know of no other industry that is contractually forced to accept payments below the cost of the product sold. Third party (Insurance) programs constitute 95% of the 7,500 prescriptions we fill each month and we are losing money or barely breaking even on the majority of these. No business should be asked to lose money and then required to provide services. In addition, in the 1st 4 months of this year, we were deducted \$104,000 in past DIR fees from our reimbursements. As a result, if this is not remedied immediately, we will be another pharmacy forced to shut our doors as we have recently seen of the many throughout Ohio. Five pharmacies in our immediate area have already closed in the last 4 months leaving a vacuum of choice and services. Paying pharmacies for their services is not an additional fee on prescriptions, it is simply reallocating the monies that have been taken from us and employers alike because of this lack of transparency.

To help understand the process, I have included 9 examples of reimbursements attached (5 Brand Drugs & 4 Generic Drugs). These are random, but show typically the unjustified payments we receive, with no alternative other than not to provide patient product & care. Note the standard reimbursement billing statement:

- Cost of Ingredient (as stated by 3rd party)
- Dispensing Fee (as stated by 3rd party)
- 3rd Party Reimbursement
- Patient Copay

The total amount the pharmacy collects is third party reimbursement plus patient copay.

Brand Example 1 from Caremark

Drug: Zubsolv 5.7-1.4mg Tab SL #30. Our cost=\$275.78

Paid: Ingredient cost \$271.09 & \$0.10 dispensing fee.

Collected \$251.19 from Caremark & \$20 copay from patient = \$271.19

LOSS of \$4.59

Brand Example 2 from Caremark

Drug: Xarelto 20mg Tablet #30. Our cost=\$549.64

Paid: Ingredient cost \$540.31 & \$.10 dispensing fee.

Collected \$505.41 from Caremark & \$35 copay from patient = \$540.41

LOSS of \$9.23

Brand Example 3 from Allied

Drug: Jardiance 10mg Tablet #30. Our cost=\$586.65

Paid: Ingredient cost \$577.86 & \$.00 dispensing fee.

Collected \$532.86 from Allied & \$45 copay from patient = \$577.86

LOSS of \$8.79

Brand Example 4 from ExprssRX

Drug: Xarelto 20mg Tablet #90. Our cost=\$549.64

Paid: Ingredient cost \$512.96 & \$.00 dispensing fee.

Collected \$482.96 from ExprssRX & \$30 copay from patient = \$512.96

LOSS of \$36.68

Brand Example 5 from HealthNT

Drug: Farxiga 5mg Tablet #30. Our cost=\$558.96

Paid: Ingredient cost \$543.94 & \$.00 dispensing fee.

Collected \$433.55 + \$95.39 from HealthNT & \$15 copay from patient = \$543.94
(Coupon Voucher \$95.39)

LOSS of \$15.02

Generic Example 1 from IHeart

Drug: Triamcinolone 0.1% Cream 80gm. Our cost=\$2.76

Paid: Ingredient cost \$1.97 & \$.45 dispensing fee.

Collected \$0.00 from IHeart & \$2.42 copay from patient = 2.42

LOSS of \$0.34

Generic Example 2 from Gainwell

Drug: Ampheta-Dextroamp ER 30mg #100 Our cost=\$21.72

Paid: Ingredient cost \$10.08 & \$8.14 dispensing fee.

Collected \$10.08 + 18.22 from Gainwell & \$0.00 copay from patient = 18.22

LOSS of \$3.50

Generic Example 3 from Anth WG

Drug: NA Sulfate-K Sulfate-MG Sul 177ml Our cost=\$48.50

Paid: Ingredient cost \$45.28 & \$0.10 dispensing fee.

Collected \$45.38 from Anth WG & \$0.00 copay from patient = 45.38

LOSS of \$3.12

Generic Example 4 from OptumRx

Drug: Hydrocodon-APAP 10-325 #122 Our cost=\$11.83

Paid: Ingredient cost \$10.61 & \$0.10 dispensing fee.

Collected \$0.71 from OptumRx & \$10.00 copay from patient = 10.71

LOSS of \$1.12

The above examples are not the exception, but rather the new rule in reimbursements. As you can see, reimbursements for our drug costs are below our purchase price and the dispensing fee is little or nonexistent. From the Rx's that are profitable, we are not able to offset these losses as well as pay for labor, supplies, utilities, rent, delivery, and the many other overhead costs we are facing. I humbly request your assistance immediately to pass house bill #505. I am passionate about retail pharmacy and serving my customers who are in need of my services and the many other pharmacies serving your constituents. We are the most accessible health care providers throughout all of our communities and deserve to be paid for what we do.

Thank you for your time and efforts to protect the American consumer and small businesses.