

I'd like to tell you some of my story. My name is Joe Craft. I graduated from The Ohio State University's College of Pharmacy in 1995. 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 of this year.

I've been a pharmacist for 29 years and was a pharmacy owner for 25 years.

I didn't know what I wanted to do with my education until my last internship rotation just before graduation. I rotated through the Medicine Shoppe in London, Ohio. It was the first day of the rotation that I decided ---I wanted to be just like Ernie- an owner. He lived and worked in his community helping his friends and neighbors. I was drawn to it.

Ownership wasn't an easy path. I lived with my in-laws for 4 years after graduation and saved and planned.

I finally found the perfect location for a store in Plain City where I lived at the time. I worked that first year without pay and worked very hard on building the business- my dream.

When I first opened, I contacted each PBM about contracting, payment issues, and customer service. The PBMs answered the phone and I could talk to somebody. If, for some reason, the contract terms weren't agreeable or I needed clarification, I could call and work it out. I really felt that as a provider of goods and services for them that we were partners with the same goal in mind- taking care of people.

Gradually over time, with the horizontal integration in the PBM space, everything started getting harder for us. The PBMs had all the power in the relationship. Contract terms would be changed by changing the provider manual or they would simply send a FEDEX letter that I'd have to sign for. I'd open the letter

and it would say they changed the contract terms and if I didn't agree, I could write them.

I wrote one of the PBMs back and told them I couldn't accept the new payment terms, but would be glad to remain a provider at the current terms. They immediately mailed a letter to all my patients on the plan and told them they couldn't use our pharmacy anymore. I ran the numbers to see if I could save this. This PBM represented 8% of my total business in prescriptions, but even at the current contract terms I couldn't cover the operating costs of filling those prescriptions.

I had to let them cut me loose. I'd be closed if all my business paid like they did. This was around 2008.

Each and every year since 2008, my relationship and dealings with the PBMs worsened. During this same time period, there was a massive consolidation of the PBMs.

Currently, just 3 PBMs control 80% of the marketplace.

Dave Yost, as auditor and now as attorney general of the State of Ohio, caught the PBMs multiple times cheating the State. The State of Ohio and the PBMs have had many closed-door settlements which amounted to the PBMs paying back the state millions and millions of dollars. Dave Yost called the PBMs modern gangsters in a Columbus Dispatch article. If the PBMs have enough guts to cheat the State of Ohio, you can imagine what they have been doing to the little guys like us, employers, and the citizens.

To put it simply, PBM Abuses, which there are many, 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 in gross sales for 2023.

It is not true that we were not supported. Our people supported us and we had more business this year 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 a pharmacy deserts where we closed.

Most Independent pharmacies like ours are also struggling with these issues.

A recent survey from the National Community Pharmacists Association reports that one-third of independents are considering closure in 2024.

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

I urge you to reach out to independent pharmacies that are still open and ask them how things are going.

Please reach out to me if you need anything further.

I support House Bill 505.

Respectfully,

Joe Craft

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