

Representatives, Senators, and Others,

As you all know, there is an expectation by government (and the public) that businesses like grocery stores **and pharmacies** remain open during the pandemic. At our locally owned pharmacy here in Eugene, we are open at great risk to my staff, myself, and our families. As I watch our staff working closely together (pharmacies aren't typically built for pandemics) I am both very proud and very scared for them. If any of you need medication and end up at a pharmacy, I urge you to thank the staff for staying open and pray for their safety. I'm taking a few moments to write you of my concerns about our business going forward this year. Notice the correlation to the pandemic we are experiencing:

- **Tipping point:** The CAT tax will eventually cause us to close our pharmacy. Already reimbursement from the Pharmacy Benefit Managers (Insurance companies hire PBM's to manage their prescription portion of their plans) is at such a small margin that the CAT is the final shove to push us over the precipice. (See BiMart closing 13 pharmacies in Portland).
- **Groceries (food)** are necessary for people to survive. Everyone needs food. **Everyone also needs their prescription medication.** The creators of the CAT tax excluded groceries from the tax. Why isn't medicine excluded? They also excluded hospitals and long term care homes. One of the reasons is probably because of the Medicare and Medicaid covered patients that these entities serve. It makes zero sense to me if a large portion of our pharmacy business is Medicare and Medicaid, that medication is taxable in the CAT. **Zero sense.**
- **Misinformation:** Are you as our government leaders somehow believing that because of the massive profits and abuses that surround big pharma, that pharmacies are somehow benefitting as well? Because if you believe that, you are seriously misguided. It may be popular right now to bash big pharma, but get in line behind me as a pharmacy owner. **We** are the ones that take the heat from **your** constituents when **their** co-pays go up. We do not see increased profits from high priced drugs.
- **Lack of control:** We have no control over drug pricing. This means:
 - a. When we bill an insurance plan, the amount we get reimbursed is dictated to us. We can try to get more from a Pharmacy Benefit Manager (PBM) but they have a formulary that they go by when reimbursing. We have no control over what we receive. **I'm wondering if this is understood by representatives and senators.** If I was manufacturing widgets somewhere in Oregon and had to pay the CAT tax, I could just raise my prices to keep my profit margin the same and/or stay in business. **Pharmacies cannot do this.**
 - b. PBM's also control what the co-pay will be for the customer. We do not control that either. Sometimes the co-pay to the customer is higher than what we would charge the customer if they chose to pay cash and not bill the insurance company.

- **Lost leadership:** Big chains like WalMart, Walgreens, use their pharmacies as “loss leaders,” meaning that they keep their pharmacies in order to get people to come in for merchandise that has an actual profit margin.
- **Businesses closing:** If locally owned, family operated pharmacies in Eugene close, you may not notice it. If they close in small towns where there isn’t another option, patient lives are at stake. A drive to a pharmacy for an EpiPen might not be 15 miles, but 60 miles. Not a good situation for that person having a severe allergic reaction.

I’m paying overtime for staff, potentially risking their lives and their family’s to keep this necessary business open for people who desperately need their medications. At the same time, the CAT is eating any remaining profit. I need you as leaders to act on this and remove medication from the CAT tax. It makes sense to keep Oregon jobs.

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