

My name is Ryan Gibbard, and I am pharmacist and faculty member at Pacific University School of Pharmacy. I am writing in support of House Bill 2462, which would require pharmacy benefit managers to amend contracts with community pharmacies to account for costs incurred from new taxes.

Community pharmacies have been uniquely impacted by the corporate activity tax. Unlike other businesses, the price paid by the consumer is determined by a pharmacy benefit manager (PBM) or other third-party insurance payer, and not by the pharmacy itself. All PBMs and third-party payers require that a pharmacy charge the amount outlined in the contract (i.e., deductible, copayment, coinsurance), and explicitly prohibit additional amounts to be passed onto the consumer.

The financial viability for many community pharmacies is precarious and absorbing the corporate activity tax is simply not an option. Here in Newberg, we have recently had two of our local community pharmacies close, and during the pandemic, this has limited the access patients have to trusted healthcare providers at a time where our services are in high demand.

This bill provides a mechanism to maintain the Student Success Fund, while simultaneously addressing the business needs of community pharmacies. I urge you to support HB 2462.