

HEALTH DELIVERED

February 12, 2025

Joint Standing Committee on Appropriations and Financial Affairs Margaret Rotundo, Senate Chair Drew Gattine, House Chair Statehouse Room 228 Augusta, Maine

HDA Opposition to §2898-B. Pharmacy assessment

An Act Making Unified Appropriations and Allocations for the Expenditures of State Government, General Fund and Other Funds, and Changing Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2025, June 30, 2026 and June 30, 2027, §2898-B. Pharmacy assessment

Dear Chair Rotundo, Chair Gattine, and Members of the Committee:

On behalf of our member companies and the pharmaceutical supply chain, the Healthcare Distribution Alliance (HDA) would like to echo the concerns pharmacies and related organizations have expressed regarding §2898-B. Pharmacy assessment, found within the proposed FY26-27 budget.. *Specifically, the* provision that subjects each pharmacy in Maine to an assessment in the amount of \$0.70 cents per pharmacy prescription.

HDA is the national trade association representing pharmaceutical wholesale distributors, the vital link between more than 1,200 pharmaceutical manufacturers and more than 330,000 pharmacies, hospitals and other healthcare settings nationwide, including around 1,500 sites of care in Maine. Distributors operate a unique role in the supply chain. They do not set list prices, determine reimbursements, or play any role in determining the amount patients pay for medicines. Rather, distributors are the logistical experts in the supply chain who ensure products are physically on pharmacy shelves where and when patients need them.

HDA values the critical role our pharmacy customers play in their communities, where they provide essential services and access to critical medications for patients. Pharmacies across the country are under enormous strain, with pharmacies closing at a historical rate. In fact, according to the *Maine Monitor*, a 10th of the state's pharmacies closed in the last 10 years.² While HDA understands the intent of the proposed

¹ As of 2023, the latest data available.

 $^{^2\} https://\underline{www.bangordailynews.com/2025/01/16/politics/maine-pharmacies-ambulances-janet-mills-tax-proposals-joam40zk0w/2025/01/16/politics/maine-pharmacies-ambulances-janet-mills-tax-proposals-joam40zk0w/2025/01/16/politics/maine-pharmacies-ambulances-janet-mills-tax-proposals-joam40zk0w/2025/01/16/politics/maine-pharmacies-ambulances-janet-mills-tax-proposals-joam40zk0w/2025/01/16/politics/maine-pharmacies-ambulances-janet-mills-tax-proposals-joam40zk0w/2025/01/16/politics/maine-pharmacies-ambulances-janet-mills-tax-proposals-joam40zk0w/2025/01/16/politics/maine-pharmacies-ambulances-janet-mills-tax-proposals-joam40zk0w/2025/01/16/politics/maine-pharmacies-ambulances-janet-mills-tax-proposals-joam40zk0w/2025/01/16/politics/maine-pharmacies-ambulances-janet-mills-tax-proposals-joam40zk0w/2025/01/16/politics/maine-pharmacies-ambulances-janet-mills-tax-proposals-joam40zk0w/2025/01/16/politics/maine-pharmacies-ambulances-janet-mills-tax-proposals-joam40zk0w/2025/01/16/politics/maine-pharmacies-ambulances-janet-mills-tax-proposals-joam40zk0w/2025/01/16/politics/maine-pharmacies-ambulance-mills-tax-proposals-joam40zk0w/2025/01/16/politics/maine-pharmacies-ambulance-mills-tax-proposals-joam40zk0w/2025/01/16/politics/maine-pharmacies-ambulance-mills-tax-proposals-joam40zk0w/2025/01/16/politics/maine-pharmacies-ambulance-mills-tax-proposals-pharmacies-ambulance-mills-tax-proposals-pharmacies-ambulance-mills-tax-pharmacies-ambulance-mil$

assessment tax, to ultimately support pharmacies, given the current environment under which pharmacies operate, many Maine pharmacies would be unlikely to shoulder the financial and administrative burden of the Pharmacy Assessment in §2898-B, which could lead to further pharmacy closures across the state. This would greatly harm patient access to critical medications and make the pharmaceutical supply chain in Maine less resilient and less stable.

HDA echoes the pharmacy community's request to remove or amend that Pharmacy Prescription Assessment from §2898-B before the legislation is advanced by this committee. Please contact Kelly Memphis-kmemphis@hda.org- for any questions regarding the pharmaceutical supply chain in Maine.

Sincerely,

Kelly Memphis

Director, State Government Affairs Healthcare Distribution Alliance

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