



February 11, 2025

The Honorable Peggy Rotundo  
Senate Chair, Committee on Appropriations and Financial Affairs  
3 State House Station  
Augusta, ME 04333

The Honorable Drew Gattine  
House Chair, Committee on Appropriations and Financial Affairs  
2 State House Station  
Augusta, ME 04333

**Re: 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 Honorable Chairs Rotundo and Gattine and Members of the Committee,

On behalf of our members operating in Maine, the National Association of Chain Drug Stores (NACDS) is writing to express our sincere concern and staunch opposition to §2898-B. Pharmacy assessment of *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* (hereinafter the Act), a provision that subjects each pharmacy in Maine to a per Pharmacy Prescription assessment in the amount of \$0.70 cents per pharmacy prescription. This provision could not only increase prescription drug costs but also place pharmacies in a perilous financial position.

Pharmacies provide comprehensive and reliable care access points and patient-centered services, in addition to traditional dispensing roles, to advance the health and wellness of communities across Maine. Pharmacy access is especially critical for vulnerable and underserved populations. Despite this value added to the healthcare system, this access is at risk when pharmacies are reimbursed below the cost to acquire and dispense lifesaving prescription drugs. As a result, below-cost reimbursement threatens the future sustainability of pharmacies in continuing to provide medication and pharmacy care services to consumers.

Pharmacy reimbursement should be comprised of two parts: 1) the product cost and 2) a professional dispensing fee across payer markets to help ensure reasonable reimbursement and sustainable pharmacy services for beneficiaries. The professional dispensing fee is designed and typically calculated to incorporate the costs of a pharmacist's time reviewing the patient's medication history/coverage, filling the container, performing a drug utilization review, overhead expenses (rent, heat, etc.), labor expenses, patient counseling, and more to provide quality patient care.<sup>1</sup> In

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<sup>1</sup>CMS defines the professional dispensing fee at 42 CFR § 447.502 <https://www.ecfr.gov/current/title-42/chapter-IV/subchapter-C/part-447/subpart-I/section-447.502>

order to maintain the availability and access to prescription drugs for patients and consumers across Maine, it is imperative that these cost considerations include both the drug's product costs and a professional dispensing fee and remain a core component of pharmacy reimbursement. Pharmacies across Maine and the United States are operating in historically perilous and volatile financial conditions. Last year, the *Maine Monitor* reported that a 10<sup>th</sup> of the state's pharmacies closed in the last 10 years, with only 280 pharmacies remaining in the state.<sup>2</sup> §2898-B. Pharmacy assessment of the Act, a provision that subjects each pharmacy in Maine to a per Pharmacy Prescription assessment in the amount of \$0.70 cents per prescription, virtually guarantees exponentially increasing financial strain on already struggling community pharmacies that are commonly under-reimbursed and often in an untimely manner by Pharmacy Benefit Managers (PBMs). Of further concern, §2898-B. Pharmacy assessment of the Act fails to contemplate the considerable administrative burden associated with an additional tax and a monthly distribution of funds based on revenues pharmacies may not yet have received.

There is a strong need to include well-established guardrails to help ensure reasonable and sufficient reimbursement for community pharmacies across Maine. Inadequate or below-cost reimbursement could force pharmacies to either operate at a loss, be unable to stock certain medications, or, even worse, potentially close their doors permanently, negatively impacting residents across Maine. These unnecessary disruptions in care decrease patient outcomes, reduce medication adherence, increase prescription abandonment, and increase the utilization of higher-cost healthcare options. Careful consideration of the dangerous consequences of §2898-B. Pharmacy assessment of the Act and its impact on community pharmacies and the patients they serve is both necessary and invaluable to help avoid preventable adverse downstream consequences on patient access to essential medications and overall health outcomes.

There is, however, an identifiable culprit of rising prescription drug costs and access barriers, as well as the pervasive under-reimbursement of pharmacies across not only Maine and the entire United States. As an industry, PBMs have been highly unregulated. PBMs claim to reduce prescription drug costs, but their practices are key components of skyrocketing healthcare spending. PBM activities include unfair and opaque dealings with pharmacies with respect to reimbursement, network design, audit practices, constructing artificial barriers that limit patient choice and competition, steering patients to their own mail-order operations, switching patients to more expensive medications to benefit the PBM, and questionable use and disclosure of sensitive patient information. PBMs claim that their ability to negotiate with drug manufacturers and pharmacies reduces overall prescription drug costs. However, despite their claims, PBMs regularly inflate the prices patients pay for medications and frequently force pharmacies to operate at a loss. States across the country, including Maine, have recognized the acute need to enact PBM reform and to press forward with implementation, enforcement, and oversight despite PBMs' efforts to oppose or roll back such reforms. While more than 155 new PBM reform laws were enacted nationwide from 2021 to 2024, additional reforms and enforcement of existing laws remain urgently needed.

Simply put, already struggling community pharmacies are unable to shoulder the financial and administrative burden §2898-B. Pharmacy assessment of the Act. This provision could very well lead to additional pharmacies closures and subsequent interruptions of care for consumers across Maine. For these reasons, NACDS is in strong opposition of §2898-B. Pharmacy assessment of the Act and seeks immediate consideration of a reversal and/or amendment to the provision that subjects each pharmacy in Maine to a per Pharmacy Prescription assessment in the amount of \$0.70 cents per pharmacy prescription.

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<sup>2</sup> <https://www.bangordailynews.com/2025/01/16/politics/maine-pharmacies-ambulances-janet-mills-tax-proposals-joam40zk0w/>

NACDS will continue to advocate to help ensure increased patient access and fair and adequate reimbursement for pharmacists, pharmacies of all sizes, and the patients they serve. For questions or further discussion, please contact NACDS at [bpearlman@nacds.org](mailto:bpearlman@nacds.org) (Ben Pearlman, Director, State Government Affairs).

Sincerely,

A handwritten signature in black ink, appearing to read "Steven C. Anderson". The signature is fluid and cursive, with a long horizontal stroke at the end.

Steven C. Anderson, FASAE, CAE, IOM  
President and Chief Executive Officer