



April 9, 2025

Senator Margaret Rotundo, Chair
Representative Drew Gattine, Chair
Members of the Appropriations and Financial Affairs Committee

Senator Henry Ingwersen, Chair
Representative Michele Meyer, Chair
Members of the Health and Human Services Committee

RE: Testimony IN OPPOSITION - LD 210, Language Part "SS" Establishes a \$0.70 cents per pharmacy prescription assessment on pharmacy providers

Work Session Follow Up. (scheduled for 4/11/2025)

Dear Senator Rotundo, Representative Gattine and members of the Appropriations and Financial Affairs Committee, and Senator Ingwersen, Representative Meyer and members of the Health and Human Services Committee:

Please allow me to reintroduce myself. My name is Courtney Doherty Oland, and I am a pharmacist and the President of Guardian Pharmacy Maine Located in Brunswick. We are a Long -Term Care (LTC) Pharmacy aka: closed shop pharmacy servicing the residents of Senior Living including NF/SNF, ALF, ICF and many group homes for the disabled. We employ approximately 60 FTEs in our pharmacy in Brunswick and service LTC residents statewide.

I previously submitted testimony opposition of LD 210-part SS which establishes a \$0.70 cent per pharmacy prescription assessment on pharmacy providers during a public hearing. in response to a request by a member of the AFC ii provided additional details regarding the specific impact on Guardian. I want to restate my opposition to this tax for any pharmacy. I would also like to demonstrate why LTC Pharmacies should receive an exemption from any proposed tax.

As outlined in my previous testimony, and which bears repeating: **This is not a Pharmacy neutral tax!** The impact of this tax on LTC pharmacies such as Guardian Pharmacy of Maine will be far greater than any proposed increase in Maine Care dispensing fee increases. LTC pharmacies will stand to bear the brunt of this proposed \$.70tax.

You may or may not be aware, LTC pharmacies are required under the rules of participation in Medicare, to be available 24 hours a day, 7 days a week to provide advanced clinical services, delivery services, on call and IV coverage as well as consulting and vaccine support. Retail pharmacies are not required to meet these requirements.

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Of the prescriptions filled In Long- Term Care Pharmacies, a very small percentage of the overall volume is Medicaid and in such LTC pharmacies will be disproportionately penalized by this tax with no opportunity to recoup those expenses from any proposed Medicaid reimbursement increases. LTC patient prescriptions are covered primarily by Private Insurance or Medicare D. The reality of this tax plan is that any pharmacy that is not extensively billing Maine Care stands to be penalized under this proposal.

There will be winners and losers! There will also be a significant negative impact patient care across the State.

Although this “provider tax” is intended to allow the State of Maine the opportunity to draw down additional federal matching funds (aka federal financial participation or FFP \$) to pay for Medicaid Services and being presented as equitable across all Maine Pharmacies, the proposal is anything but pharmacy agnostic. This proposed tax will hurt Maine Pharmacies in general, some to a greater extent than others.

At Guardian Pharmacy of Maine – much like most other LTC pharmacies - less than 6% of our prescription volume is billed to Maine Care as the primary payor. Maine Medicaid represents less than 5% of our overall revenue which further demonstrates why this tax is disproportionately burdensome for LTC Pharmacies like Guardian Pharmacy of Maine.

The bottom impact using 2024 # would have been approximately \$300, 000,00 and will climb to an excess of \$315.000.00 in 2025 and even greater in 2026, should this provision pass as part of the 2-year budget.

By my estimates, Guardian Pharmacy would need to consider a reduction in headcount by 10 % to offset the impact of this tax. (that is equal to 6 technicians or 3 Clinical Pharmacist FTE’s) The Impact of such a reduction will result in the impairment of our team to safely provide skilled clinical pharmacy services to the thousands of elderly we service Statewide.

A workforce reduction of this scale is unimaginable as the demand for our services greater than ever. For example, when a small community pharmacy recently closed in Bath, some small LTC customers *begged us* to take them on as “Walgreens was *not interested in providing them service* “. This further demonstrates the unique service we provide in the marketplace.

LTC pharmacies – of which there are approximately eight who exclusively service LTC residents across the State - will close or even consider relocating the Prescriptions they fill for Maine LTC residents to another state and simply “mail” them into Maine as that appears to be a loophole in this bill. (that Mail order pharmacies are exempt) This will result in lower service levels and significant job losses.

Again, I invite each of you to visit our pharmacy in Brunswick to see for yourselves.

Sincerely

COURTNEY

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