

February 12, 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

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:

My name is Matthew Marston, I am a resident of Otis, the Chief Pharmacy Officer for Northern Light Health and the Immediate Past President and Legislative Liaison for the Maine Society of Health System Pharmacists. Today I am submitting testimony on behalf of the Maine Society of Health System Pharmacists, an organization that has more than 300 members statewide and primarily represents individual Pharmacists, Technicians and students who practice in a health-system setting. I am submitting this testimony on behalf of the Maine Society of Health-System Pharmacists (MSHP) in strong opposition to LD 210, Language Part "SS" Establishes a \$0.70 cents per pharmacy prescription assessment on pharmacy providers. While we recognize the state's need to address funding challenges, this policy will have significant negative consequences for Maine's patients, particularly those who are uninsured or rely on independent and rural pharmacies for essential medications.

Threat to Patient Access

Pharmacies across Maine, particularly in rural and underserved areas, operate on razor-thin margins. The addition of a \$0.70 tax on every prescription dispensed will negatively impact rural and independent pharmacies, many of which are already struggling to keep their doors open. If these pharmacies are forced to close or limit services due to increased financial strain, patients will face reduced access to essential medications and pharmacy services.

For patients in rural areas, closures would mean longer travel distances to obtain prescriptions, delays in necessary treatments, and potential disruptions in medication adherence. Maine already faces healthcare access challenges, and this tax will only exacerbate the problem, especially for vulnerable populations who rely on local pharmacies for their healthcare needs.

Increased Costs for Uninsured Patients

This tax will inevitably lead to increased medication costs for Maine residents, particularly those who are uninsured. Pharmacies will have little choice but to pass these additional costs onto consumers, making essential medications less affordable. Pharmacy Benefit Managers (PBMs) do not allow for the manipulation of patient out of pocket responsibility by the dispensing pharmacy under insurance contracts. Therefore, patients who are uninsured or pay out-of-pocket for their prescriptions will bear the brunt of these increases, forcing difficult choices between paying for medication, food, or other

necessities. This creates a serious public health concern, as higher costs can lead to medication nonadherence, worsening health outcomes, and increased hospitalizations, which ultimately drive up overall healthcare costs for the state.

Disparities Created by MaineCare Dispensing Fee Offset

The proposed increase in MaineCare dispensing fees as an offset to this tax creates an inequitable system where pharmacies are financially impacted based on the number of MaineCare patients they serve. Pharmacies with a high percentage of MaineCare patients may see some financial relief, while others—particularly those serving a larger proportion of uninsured, Medicare, or commercially insured patients—will bear the full burden of the tax without adequate offset.

This “winners and losers” approach places certain pharmacies that serve more diverse patient populations at a significant disadvantage. Many of these pharmacies already struggle to remain financially viable due to low reimbursement rates from pharmacy benefit managers (PBMs) and rising operational costs. Penalizing them further with a per-prescription tax could force more closures, leaving even more Mainers without local pharmacy access.

Conclusion

The Maine Society of Health-System Pharmacists urges the Committee to reject this harmful tax proposal. Instead of imposing new financial burdens that could reduce access to care, increase medication costs, and create disparities among pharmacies, we encourage the Legislature to explore alternative funding mechanisms that do not jeopardize patient health or cause irreparable harm to Maine businesses.

Sincerely,

Matthew Marston, PharmD, MBA, FACHE, BCPS

Immediate Past President
Legislative Liaison
Maine Society of Health-System Pharmacists