



MAINE PHARMACY
ASSOCIATION

P.O Box 5257 | Augusta, ME | 04332

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 Amy Downing, I am a resident of Smithfield, Maine, and the Executive Director of the Maine Pharmacy Association. The MPA is the state pharmacy organization that addresses the advocacy, continuing education and professional needs of all licensed pharmacists, pharmacy technicians and student pharmacists in Maine. Our mission is to promote public health by advocating for the profession of pharmacy. On behalf of the Maine Pharmacy Association, I am testifying today in opposition to LD 210, Language Part "SS" that Establishes a \$0.70 cents per pharmacy prescription assessment on pharmacy providers.

While we support efforts to improve MaineCare reimbursement, funding this initiative through a tax on pharmacies is an unsustainable and dangerous path. A per-prescription tax on pharmacies—threatens to create winners and losers in the industry. Pharmacies operate on razor-thin margins. Over the past decade, more than 10% of retail pharmacies in Maine have shut their doors. Now, this tax threatens to accelerate that trend. Just this week, a national chain pharmacy announced the upcoming closure of a location right here in Augusta. Every prescription pharmacies fill is critical to the health and well-being of their patients—many of whom are elderly, managing chronic conditions, or live in areas where the nearest pharmacy is already miles away. This proposal places an additional financial strain on pharmacies, potentially forcing them to reduce hours, cut services, or close altogether.

The state's argument that increased MaineCare reimbursements will offset this tax "in the aggregate" is flawed. Pharmacies with a high percentage of MaineCare patients might break even, but those serving a more diverse mix of patients—including those on Medicare, private insurance, or paying out of pocket—will be unfairly penalized. For small, independent pharmacies, this is a devastating and inequitable burden. By implementing this tax without assurance that all pharmacies will be made whole, the state risks destabilizing community pharmacies that serve as lifelines to Maine's most vulnerable residents.

Additionally, there is no guarantee that the expected federal matching funds will materialize. If the funding falls short, the financial fallout will rest squarely on the shoulders of pharmacies already struggling to survive. The risk is too great, and the consequences too severe.

Rather than imposing a tax that jeopardizes the viability of local pharmacies, I urge this committee to explore alternative solutions. Sustainable, direct reimbursement adjustments—rather than a blunt, broad tax—would be a far more effective and fair approach.

Maine's pharmacies are lifelines in our communities and this tax is only going to be applied to pharmacies located here in Maine and won't be applied to out of state mail order pharmacies. This proposal threatens their survival and, in doing so, endangers patient care. I strongly urge you to reject this measure and seek a solution that supports pharmacies rather than punishes them.

One final note, we have several pharmacists and pharmacy owners from various parts of the state who could not leave the pharmacy counter today due to staffing constraints but have taken the time to upload testimony, so I urge the committee to read their comments.

Thank you for your time and consideration. I am happy to answer any questions.

A handwritten signature in cursive script that reads "Amy Downing".

Amy Downing, CAE
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