



John Valley Pharmacy
P.O. Box 189
182 Market Street
Fort Kent, Maine 04743
Phone 207-834-2880 Fax 207-834-2882

February 12, 2025

Testimony from Charles Ouellette Rph

Former owner of St. John Valley Pharmacy and St. John Valley LTC pharmacy
Current Owner of Bangor Drug Company and Bangor Drug LTC Pharmacy

I come here in strong opposition to the Governor's proposed 70 cent per prescription tax on pharmacies in Maine.

What is the Governor thinking?

The last few years have been devastating to pharmacies in Maine and across the country. As every single pharmacist and pharmacy owner will tell you, drug prices keep rising and reimbursements keep shrinking. We lose money on a significant portion of the prescriptions that we dispense. Our profit margins have disappeared before our eyes and the doomsday scenario for retail pharmacy is here.

Two months ago, I reluctantly sold my pharmacy business in Fort Kent after 20 years. Its value had diminished significantly in just two years. We were busier than ever before. We filled thousands of prescriptions. But in pharmacy, sheer numbers of prescriptions are quite meaningless. Profits have fizzled to nothing. Pharmacy Benefit Managers, such as Caremark and Express scripts reimburse less than cost on most prescriptions. There are no more profits to be made.

I also own a busy Pharmacy Business in Bangor. We service and deliver vital medications to thousands of patients who are homebound and to many more in Long Term Care facilities from Eastport to Portland. Our patients are chronically ill and cannot logically wait for a mail order pharmacy. Our customers are your parents, aunts and uncles and your grandparents. Our staff is available 24hours a day for our clients. In order to accomplish this, we sometimes put staff at risk, sending them out in bad weather delivering to patients and facilities. Why do we do it? Because if we didn't, patients would suffer and die.

Despite an aging population and the increase in demand for prescriptions, a recent study by USC Berkely showed that 30 percent of pharmacies had closed in the last 10 years. Pharmacies keep cutting costs, hiring fewer workers, cutting benefits and trying to convince customers to switch to better health plans. But we are struggling. Like every business, we face a labor shortage and resort to raising wages to keep people. Delivery costs are soaring, insurance costs are soaring, and drug prices keep increasing. We need a lifeline, not a tax.

Any tax on our product and services that cannot be recouped through the patient or passed along to the consumer is fundamentally unfair. Because prescription numbers are not a measure of profitability. We are already taxed on our profits and pay significant

money to the State in the form of Income Tax. Our governor recognizes that pharmacy profits are shrinking and there is less profit to be taxed. But instead of taking a more logical step such as requiring an insurer to pay us fairly, she proposes an easy, yet horrible solution...tax the pharmacy for their work.

I urge you to do the obvious and sensible thing. Care for your loved ones. Care for your local pharmacy. Keep us in business and reject this terrible idea.