

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 Kelsie Snow and I am an assistant professor at Husson School of Pharmacy where I teach healthcare law, a Pharmacist in Charge at a local infusion clinic, and the Governor-appointed Chair of Maine's Prescription Drug Price Affordability Board (PDAB). I have been in the field of pharmacy for 15 years and a licensed pharmacist in Maine for just shy of 10 years. I am submitting testimony in opposition of LD 210 SS, which establishes a \$0.70 per prescription assessment on pharmacies.

I understand that the *intent* of the proposal is that pharmacies will receive an increased reimbursement for MaineCare prescriptions and is postulated to be "net neutral." Let me assure you, it will harm pharmacies and patients. Not all pharmacies are able to bill MaineCare, and many pharmacies that do are already reimbursed at a significant loss. A former student called me recently and I asked him to check reimbursement for two common medications – they were being filled at \$30 and \$50 **loss per patient per month**. One pharmacy that I worked for provides medications to a hospital to administer, and often has extra doses returned. Are they to be taxed on every dose, even if it is not used because it is a labeled prescription? Are pharmacies expected to absorb this cost? Pharmacies are already facing significant financial struggles, as the recent Federal Trade Commission's report on Pharmacy Benefit Managers show. If you are not familiar with that report, the abbreviated version is that the PBMs are putting profits over patients while using vertical integration to engage in self-preferencing, unfair practices. Patients lose, and even die, while PBMs are estimated to have profited **7 billion dollars in the last few years**.

How will this hurt Maine-based companies and patients? For starters, the tax only applies to in-state pharmacies, which will undoubtedly lead to shifting prescriptions to be filled out of state and then be shipped to patients. Not all pharmacies *even bill patients or insurances*. We have already seen local healthcare systems face repeated credit downgrades, healthcare offices and services close, yet we're going to levy any tax on them to support MaineCare's budget? Per the MaineCare's Benefits Manual, Ch. 1.09(B) "No provider may deny services to a member for

failure to pay a copayment.” I have personally seen this result in significant losses for pharmacies *per day of operation*.

You may have heard, but the academic institution I work for abruptly decided to close its pharmacy program and force students to transfer, citing “declining interest.” If we are to create a more hostile environment for pharmacies to operate, we can only expect interest in this profession to further decline, one where I have *saved lives and improved outcomes*. Maine is already disadvantaged with significant barriers to care, yet we are considering adding a tax to those who provide it? While PBMs and drug companies are reporting record profits, and while there is evidence of insurance companies using *artificial intelligence to automatically generate claims denials*?

Pharmacies are facing hostile conditions while providing services that are desperately needed. These healthcare providers have long been easy targets of predatory practices like retroactive clawbacks and are facing the lowest margins in a decade. Maine has lost one-third of our independent pharmacies between 2013 and 2023. There are new reports every day detailing the financial distress pharmacies face, particularly if they are independently owned. When Walgreens closed its pharmacy in Guilford, Maine (leaving nothing between Dover-Foxcroft and Greenville), I asked their District Manager about the impact that would have on patient care *and she laughed at me*. Adding another tax that pharmacies pay simply does not make sense and is not good policy for Maine or its residents. Please, try again.

Thank you for your time,

Kelsie Snow, PharmD MPH
Assistant Professor of Pharmacy Practice
Husson University School of Pharmacy
Chair, Maine’s Prescription Drug Price Affordability Board