

Our industry is not a normal business. We sign contracts with insurance companies but there is no negotiating for our part. They tell us what the contract will be and we can take it or leave it. We have no control over our reimbursement from insurance companies. There is no passing on additional costs to consumers. We submit our claims and insurances pay the contracted rate, which results in a loss the majority of the time. Then the PBM's come back and take a DIR fee from us according to their set standards. We had \$111,232.97 stolen back from us in 2020 from what they were suppose to pay us. This is another fee we don't have control over.

So after we have lost money on the prescription we can not pass that loss onto the customer. Then Oregon legislature taxes us on the total sales, not the profit (or loss). With the high cost of drugs our sales well exceed the million dollar CAT Tax cap. Our loss for 2020 was \$68,994.00. Then we received the CAT tax for the year of \$9,239.00. Very difficult to pay additional taxes when you already had a loss for the year.

Hermiston Drug is an Independent Pharmacy that has been in business for 90+ years serving our community. We want to be in business to provide our personal and caring touch to our patients who are more like family to us. If we are not in business, Oregon will be losing more taxes than just the CAT tax.

Robert Mullay, RPH/Owner