

My name is Omar Avila, and I am pharmacist in Corvallis, OR. I am writing in support of House Bill 2462, which would require pharmacy benefit managers to amend contracts with community pharmacies to account for costs incurred from new taxes.

Community pharmacies have been uniquely impacted by the corporate activity tax. Unlike other businesses, the price paid by the consumer is determined by a pharmacy benefit manager (PBM) or other third-party insurance payer, and not by the pharmacy itself. All PBMs and third-party payers require that a pharmacy charge the amount outlined in the contract (i.e., deductible, copayment, coinsurance), and explicitly prohibit additional amounts to be passed onto the consumer.

The financial viability for many community pharmacies is precarious and absorbing the corporate activity tax is simply not an option. Pharmacists are the most accessible health care professionals, and they play an essential role in ensuring health for patients and communities, recently highlighted by the COVID-19 pandemic.

This bill provides a mechanism to maintain the Student Success Fund, while simultaneously addressing the business needs of community pharmacies. I urge you to support HB 2462.