

Submitter: Steve Hiron
On Behalf Of: Hiron Drugstores
Committee: Senate Committee On Finance and Revenue
Measure: SB1507

We own two drugstores in Eugene that my grandfather started in the 1930's. There is only one other independent retail pharmacy left in Eugene and other independent pharmacies are closing around the state. Even retail chains are closing pharmacies like Bi-Mart. Prescription drug costs have risen over the years and now 70% of our overall sales are derived just from prescriptions. We bill insurance plans on 98% of prescriptions. Insurance plans hire third party entities called Pharmacy Benefit Managers to manage all of their prescription plan processing and these PBM's dictate to us exactly what they will reimburse us to fill a prescription and how much the patient's co-pay will be. We have no say in what we are reimbursed and no say in what the patient's co-pay will be. When the Commercial Activity Tax was initiated, I attended all of the local meetings put on by the Department of Revenue and no one could tell me why prescription drugs were not excluded being that we could not control any of the pricing AND medication was just as important to many people as food. Lack of access is already becoming an issue in cities as the effects of Bi-Mart closing has caused ripples wait times throughout the area. We have reduced hours in our pharmacies and foresee more pharmacies reducing hours to prevent burnout of staff while still attempting to make a small profit margin. This needs to be addressed and changed. Prescription drugs should not be included in the CAT. If this is not changed, more pharmacies will close around the state because even .57 of one percent turns into a massive number for a pharmacy.