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Years of pharmacy closures forcing rural Oregonians to drive farther for prescriptions



Tens of thousands of Oregonians are now having to travel farther to get the medications they need.

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WASHINGTON COUNTY, Ore. (KPTV) - Tens of thousands of Oregonians must travel farther to get the medications they depend on, as local pharmacies in rural areas have closed increasingly over the past few years.

Smaller, mom-and-pop pharmacies have quietly closed their doors for the better part of a decade, but retail giant Bi-Mart made a splash in 2021 when it announced it would get out of the pharmacy business. As of January, it sold off all of its pharmacy patients to Walgreens.

As a result, there are fewer pharmacies, longer drives and sometimes increased wait times for medications as the remaining pharmacies take on more patients.

Suzette Swartz spends hours each week making the drive to and from the Forest Grove Safeway to pick up the medications that her husband --a quadriplegic-- depends on.

"He is on several medications and all of them don't come in at the same time," Swartz said.

It's difficult and uncomfortable for her husband to travel and he can't be left alone in their home outside of Banks in rural Washington County.

"I'm always looking at my watch because the caregiver is going to leave," Swartz said.

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Three years ago, it was only a short drive to Banks Pharmacy, but it closed in 2020.

"We were sometimes losing \$50 on one prescription," said Gene Darrah, who co-owned the pharmacy with her husband.

"You can only do that so long -- you can't be in business and lose money," Darrah added in a recent interview with FOX 12.

According to Oregon Board of Pharmacy data, there are 30 fewer pharmacies today than five years ago; only about 20 percent of them are independently owned. Most remaining pharmacies are run by large retailers and pharmacy chains.

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"All of the pharmacies that we know, that are independently owned, are struggling or have closed," Darrah said.

The big question is why and those in the business say it's not a matter of mystery or secret.

"Independent pharmacies in Oregon are in a grim situation," said Patrick Bowman, the owner of Bowman's Hillsdale Pharmacy.

Closing because, these days, there's little money to be made in the industry.

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Everyone FOX 12 spoke with -- including lawmakers -- place much of the blame on what are known as pharmacy benefit managers or 'PBMs.'

Think of them as a business that operates as the middle-man between drug manufactures and pharmacies, on behalf of your insurance -- many of which are actually owned by insurance companies, as well.

"Because they don't have any transparency and they are not regulated, they can set the price at whatever they want it to be and then they can reimburse the pharmacy whatever they think is best," said Brian Mayo, the executive director of the Oregon State Pharmacy Association.

Mayo said PBMs are notorious for under-reimbursing pharmacies for drug costs, overcharging state healthcare programs and, in the end, driving up the cost of prescriptions for everyone.

He said the problem has become so massive that the association commissioned a study last year to take a closer look at reimbursement rates for Oregon pharmacies. The findings were published this past fall.

"I was shocked," Mayo said. "I knew things were bad but I didn't know things were this bad in Oregon."

The study, involving 86 Oregon pharmacies, keyed in on a few troubling findings.

"It shows that 75 percent of all prescriptions that are being dispensed are underwater," Mayo said. "They're not covering the cost of the drug and the labor."

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A glaring example is Medicaid prescriptions in Oregon.

Mayo said the study found PBMs often reimbursed pharmacies the least for medications dispensed to Medicaid patients and in turn, charged the state inflated prices to cover the cost of the drugs.

The report revealed that a medication for multiple sclerosis was found to cost taxpayers eight times the manufacturer's list price for the drug of \$350.

"They were charging Oregon Medicaid almost \$3,000 for this medicine and that cost Oregon taxpayers \$1.9 million in overpayment," Mayo said.

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It's not the first time PBMs have been in hot water in Oregon.

In December, Oregon's Attorney General and Insurance Commissioner announced a \$17 million settlement with healthcare giant Centene, claiming the PBM and care provider overcharged Oregon's Medicaid program for drugs prescribed to trillium community health plan patients.

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Bowman said the average Oregonian knows little to nothing about PBMs and it's time to change that.

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"I think transparency and a forensic examination (is needed) of what PBMs are doing to taxpayers and pharmacies," Bowman said.

Pharmacists believe that if nothing changes, more of Oregon's pharmacies will close, loading more patients onto fewer remaining pharmacies as the pool shrinks.

"It is inconvenient for my situation, and we make it work but it's rough," Swartz said. "Not only me but people in the community. I see them so often and a lot of them are elderly."

House Bill 3013 would require PBMs to be licensed by the Department of Consumer and Business Services, as well as other regulations and requirements. You can read more about the bill here: <https://olis.oregonlegislature.gov/liz/2023R1/Measures/Overview/HB3013>

FOX 12 also reached out the Pharmaceutical Care Management Association for comment.

The association sent this statement:

"The package of legislative bills regarding PBMs will restrict proven cost-reducing tools used by plans and their pharmacy benefit companies. There's no evidence that any of the seven (7) will actually reduce prescription drug costs in Oregon. Increasing competition in Oregon's prescription drug marketplace, while holding big drug companies accountable for common patent abuse practices that keep drug prices high, is the most effective approach to lowering prescription drug costs.

Pharmacy benefit companies are working to lower prescription drug costs for Oregon patients and value independent pharmacies who help patients access affordable medications.

The independent pharmacy market in Oregon is in fact very stable and slightly increased from 132 stores in 2022 to 137 in 2023. The important stability in Oregon's community pharmacy market allows PBMs to partner with independent pharmacies to achieve the shared objective of increasing access to affordable medications, helping patients stay on their prescribed medications."

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