

Support for HB2549

Chair Nosse, Vice-Chair Javadi, Vice-Chair Nelson, and committee members:

My name is Ed Diehl, State Representative for House District 17, East Salem through the majestic Santiam Canyon. Thank you for the opportunity to speak in support of House Bill 2549.

I'm here today to testify in support of critical legislation that will provide badly needed financial support for pharmacies and pharmacist services in rural Oregon. Let me begin with some headlines:

- **“Rural pharmacies continue to close as legislature takes another look at regulation.”** (OPB)
- **“Oregon 2nd worse in the nation for retail pharmacy access, new analysis finds”** (OPB)
- **“Independent pharmacies know their communities. But many are struggling to stay open.”** (Oregon Capitol Chronicle)
- **“Years of pharmacy closures forcing rural Oregonians to drive farther for prescriptions”** (Fox 12 Oregon)

An estimated 35 pharmacies closed in Oregon last year, and more will likely close this year, many in rural areas of the state. The predicament for rural Oregonians is crystal clear: closures force them to drive further, imposing financial strain on many who are low or fixed income. Lack of access to pharmaceuticals also increases the rate of hospital readmissions. It is imperative that the Legislature work to slow the rate of rural pharmacy closures, and House Bill 2549 is an opportunity to do just that.

The current Oregon tax code provides a rural health care income credit to specific health care providers: physicians and physician assistants, CNAs, and optometrists. What's missing is a key part of the health care delivery chain: pharmacists and pharmacist services. According to the National Center for Health Statistics, doctors write an average of 25 prescriptions per day. Under existing law, the rural health provider writing the prescription, the doctor, is eligible for the rural health care tax credit, but the provider filling the prescription, the pharmacist, is not. This needs to change. Many rural Oregonians depend on access to pharmaceuticals to treat existing health conditions, some of which are life threatening. Including rural pharmacies and pharmacist service in the rural health care tax credit is a logical, common-sense approach to addressing the rural health care shortage crisis that too many are experiencing.

For eligible pharmacies and pharmacist providers, inclusion in the tax credit would provide qualified financial relief based on distance from metropolitan areas:

- Between 10-20 miles from a metropolitan area, a \$3,000 tax credit.
- Between 20-50 miles from a metropolitan area, a \$4,000 tax credit.

- Greater than 50 miles from a metropolitan area, a \$5,000 tax credit.

While House Bill 2549 is not a “cure” to the closure of rural pharmacies, I believe it will help many stay open and prevent jeopardizing the health of countless Oregonians. In conclusion, House Bill 2549 does not create a new tax credit, it simply adds critical health care providers to the list of those eligible for a credit that already exists. I thank this committee for the time to testify in support of House Bill 2549 and urge passage of this badly needed legislation.