



Lloyd Central Compounding Pharmacy
2606 NE Broadway St, Suite B
Portland, OR 97232
Phone: 503-281-4161 or 800-358-8974
Fax: 503-281-1990

Subject: Support SB 707 – Protect Patient Access by Expanding CAT Exemptions

Dear Chair Meek and Members of the Committee,

My name is Natalie Gustafson, PharmD, and I own Lloyd Central Compounding Pharmacy in Portland, Oregon. I strongly support SB707. We have served over 40,000 Oregon patients and nearly 8,000 prescribers in the last few years. As an independent pharmacy owner, I see firsthand how the Corporate Activities Tax (CAT) disproportionately burdens pharmacies, making it increasingly difficult to navigate the massive rise in operating costs while continuing to provide critical care to my community.

Unlike most businesses, pharmacies cannot set their own prices—our reimbursement rates are dictated by pharmacy benefit managers (PBMs) and third-party payers. As a result, we have had to limit which insurances we're contracted with as they reimburse well below even our costs, which limits patient access to these important medications. For patients paying out of pocket, with the increased cost of living they cannot simply afford to keep paying increased prices for their medications. This means we have exceptionally limited ability to adjust prices to offset taxes or increased costs, and have had to take on the majority of the increased cost burdens over the last few years. Meanwhile, drug wholesalers and manufacturers keep passing their own CAT burdens onto us, effectively double-taxing pharmacies when purchasing medications and supplies, as well as when dispensing to patients.

This unfair tax structure is threatening patient access to essential medications. Oregon has already been ranked second worst in the nation for pharmacy access, and as financial pressures mount, more independent pharmacies are being forced to reduce hours, cut staff, or close their doors entirely. For many patients—especially in rural areas—these closures mean longer wait times, longer travel distances, and dangerous delays in care.

Lloyd Central Compounding Pharmacy has been committed to serving the people of Oregon, but without legislative action, local pharmacies like mine will continue to struggle under an unsustainable tax burden. The consequences will fall on patients who rely on us for timely, affordable healthcare.

I strongly urge you to **vote YES on SB707** at its upcoming hearing. Thank you for your time and commitment to supporting Oregon's pharmacies and small businesses.

Sincerely,

Natalie Gustafson, PharmD
Owner and Director of Pharmacy
House District 45