

**Dear Chair Meek and Members of the Committee,**

As a dedicated pharmacist serving Oregonians, I am writing to express my **strong support for Senate Bill 707**, which expands Oregon's **Corporate Activities Tax (CAT) exemption**. The CAT disproportionately burdens pharmacies, jeopardizing patient access to essential medications and healthcare services.

My pharmacy; Sutherlin Drug, in Sutherlin, Oregon has been designated as a "Critical Access Pharmacy" by the Oregon Health Authority. The population of this great community is 8,650; however, the number of active patients in my database is over 16,000. We serve a great number of Oregonians beyond our town and need all the help we can muster to fight the predatory practices of pharmacy benefit managers (PBMs).

**Community pharmacies are uniquely affected by the CAT.** Unlike most businesses, pharmacies cannot set their own prices—these are dictated by pharmacy benefit managers (PBMs) and other third-party payers. Pharmacies must adhere to contractual reimbursement rates and cannot pass additional costs to patients. Meanwhile, drug wholesalers and manufacturers increase prices to offset their own CAT obligations, leaving pharmacies effectively **double-taxed**:

1. **When purchasing medications** from suppliers, and
2. **When dispensing those medications** to patients.

This excessive tax burden threatens the financial viability of pharmacies across Oregon. As pharmacies close or reduce hours to stay afloat, patients face dangerous delays in receiving their medications—delays that can compromise health outcomes. A recent Associated Press report ranked Oregon **second worst in the nation** for patient access to pharmacies. Many rural pharmacies have been designated as **Critical Access Pharmacies** by the Oregon Health Authority, underscoring their vital role in their communities.

**Passing SB 707 is essential to safeguarding pharmacy services for all Oregonians.** I urge you to support this bill to ensure that patients—regardless of where they live—can access affordable, timely healthcare.

Thank you for your consideration and leadership on this important issue.

**Sincerely,**  
Allen Reece, PharmD.

Owner/Operator Sutherlin Drug

541-459-2712