



## **Support SB 123 Amendments to Protect Oregon's Pharmacies and Patient Access to Care**

Oregon's Commercial Activity Tax (CAT) is threatening patient safety, reducing access to healthcare, and endangering the financial viability of community pharmacies. The Oregon State Pharmacy Association and the Oregon Society of Health-System Pharmacists urge lawmakers to support SB 707, which addresses the significant burden the CAT has placed on independent pharmacies and small regional chains.

Community pharmacies are uniquely impacted by the CAT. Unlike other businesses, pharmacies do not set their own prices—these are determined by pharmacy benefit managers (PBMs) or other third-party payers. Pharmacies are contractually obligated to charge the patient-specific amounts outlined in these agreements and are prohibited from passing any additional costs onto patients. Meanwhile, drug wholesalers and manufacturers pass along the impact of the CAT to pharmacies by increasing the cost of goods. This results in pharmacies being double-taxed—once when they purchase drugs from suppliers and again when they sell them.

This excessive tax burden puts additional financial burden on pharmacies. The consequences are dire: as pharmacies close or reduce hours due to financial strain, patients experience dangerous delays in accessing their prescribed medications.

The impact of pharmacy closures is particularly severe in rural Oregon, where access to healthcare is already limited. **A recent report by the Associate Press identified Oregon as having the second worst patient access to pharmacies, only trailing Alaska.** The majority of rural pharmacies have been designated as Critical Access Pharmacies by the Oregon Health Authority. Without financial relief, more rural pharmacies will be forced to close, further jeopardizing healthcare access for vulnerable populations.

Community and rural pharmacies are on the frontlines of patient care, ensuring that Oregonians receive their necessary medications. The CAT places an unsustainable financial burden on these businesses. By passing SB 123 amendments, Oregon can help pharmacies remain open, staffed, and accessible to all patients.

**We urge lawmakers to support SB 123 amendments to safeguard pharmacy access and protect patient safety.** Thank you for your consideration.