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Matt's Local Pharmacy

88 East Main Rd

Middletown RI 02842

My name is Matthew Olivier and I opened Matt's Local Pharmacy in January 2018. There were more than double the number of independent pharmacies at that time. In just 6 years I have seen the following pharmacies close: Bakers Pharmacy, Newport Prescription Center, Phred's Drug, Blackstone Pharmacy, Wakefield Prescription, Van Eeghen's, Simpsons Pharmacy, Howell Smith pharmacy.

Pharmacy owners in Rhode Island are a small tight knit group, we all share our challenges. The number one reason all these pharmacies have closed is under reimbursement from the PBM's. To refer to this as an assault would be an understatement. I think the words "systematic elimination" would be more accurate.

I would also like to emphasize the important role independent pharmacies play within the community that you will not find with big box chain pharmacies. We offer same day hospice deliveries, packaging and delivering monthly medications, extended time spent with patients for consultation, walk-in vaccinations, synchronizing medication.

Every day we get calls from frustrated patients who cannot get their "big box" pharmacist on the phone for help. Daily we hear how inaccessible pharmacists have become, and how appreciative they are for our work within the community.

Everyday we see prescriptions that are paid below acquisition cost by the PBM's. We lose money on an incredible number of prescriptions daily, which will eventually put us out of business. . If we choose not to dispense these medications, despite the exorbitant loss, the PBM will cancel our contract and effectively cancel over 30% of our prescriptions and put us out of business.

The pricing system is broken within pharmacy, but a transparent, sustainable solution has been adopted already by many states across the country, including Arkansas, Georgia, Iowa, Kansas, Kentucky, Louisiana, Michigan, Mississippi, North Carolina, and Ohio.

NADAC pricing provides a transparent reimbursement benchmark based on National Average Drug Acquisition Cost. To emphasize, this is not the highest cost, or “whatever cost” the pharmacy purchases. This is data which is aggregated nationally from millions of prescriptions from various pharmacies such as retail, chain, etc. to create an accurate ingredient cost.

NADAC pricing ensures the pharmacy will get paid for what the average cost is for the medication in contrast to the non-transparent practices currently being used by Pharmacy Benefit Managers.

I also want to emphasize the losses we are seeing are at the final cost of the medication. There are no rebates with these brand name drugs. The acquisition costs paid to us in the “take it or leave it contracts” **don’t exist, we are set up to fail.** The PBMs control what patients we see, what pharmacies and doctors are in network, how much the patient pays for a drug and how much we are going to get paid from these same PBMs. They are judge and jury and we cannot negotiate in this out of control system we find ourselves in.

We may account for a very small percent of prescriptions dispensed in the state of Rhode Island but our impact is much bigger.

### **Support H 7720**

In the interest of Anne who needs me to walk her through her medication for 20 minutes to safely understand her schedule.

In the interest of Ramona who needs me to drive to her house in person to help her take a glucose measurement for diabetes.

In the interest of Charles who would be in a nursing home if I didn’t organize his medication in packs each month.

In the interest of the visiting nurses of Aquidneck Island who lean on us for timely help and delivery of comfort medication for their hospice patients

In the interest of my business, my livelihood, my patients and my pharmacy being in business 10 years from now to service my community, I urge you to support S 2395

Matthew Olivier