

Statement Before
Finance, Revenue & Bonding Committee
Monday, March 28, 2016

**S.B. 5 An Act Establishing a Surcharge on the Manufacturing and Distribution
of Opioids and Funding for Opioid Abuse Prevention and Treatment**

Good Afternoon Senator Fonfara, Representative Berger and members of the Committee. My name is Margherita Giuliano and I am both a pharmacist and the Executive Vice President of the Connecticut Pharmacists Association. The Connecticut Pharmacists Association is a professional organization representing 1,000 pharmacists in the State of Connecticut. I am submitting testimony in opposition of S.B. 5 An Act Establishing a Surcharge on the Manufacturing and Distribution of Opioids and Funding for Opioid Abuse Prevention and Treatment.

While the intent of this bill is laudable, the method that is used to create a revenue stream to fund for opioid abuse prevention and treatment sets a precedent and creates a confusing and convoluted taxation process that will be difficult to implement. The State of Connecticut has never charged a sales tax for a prescription drug and I am fairly certain that no other state does either.

Our interpretation of this proposed legislation is that manufacturers and wholesalers must pay the state a sales tax on any controlled substance that contains an opioid which they sell to a pharmacy or others. One has to assume that the sales tax will be passed on to the purchaser....for example the pharmacy. The question is, how does the pharmacy collect the sales tax when the majority of prescriptions are covered by some type of insurance?

The bill goes on to discuss that if pharmacies dispense medication to a beneficiary of a Medicare Part D program as a covered benefit or any other program under which such controlled substance is a covered benefit, that is exempt from taxation then someone may claim a refund. To my knowledge, there is no insurance program that reimburses for taxes on prescription drugs. Also, the legislation is not clear as to who can claim the refund. Further, the method to claim the refund involves submitting invoices, sales receipts etc. This could become a bookkeeping nightmare. And who is going to review all these receipts and invoices? Am I the only one who appreciates the irony of creating another layer of government at the same time we are discussing layoffs and deficit mitigation plans?

Two years ago we sat in hearings and heard that revenue from the medical marijuana program would be reinvested to support that program's growth and oversight. As we all know that did not occur, and in fact, that revenue has been swept into the general fund and now the DCP has a difficult time adequately and appropriately staffing and maintaining that program's needs. To think that this new tax will be used solely to support opioid abuse and treatment programs is disingenuous.

The end result could be that the pharmacies will be subsidizing this policy change unless they are able to recoup the taxes from their patients. Adding a tax to prescription drugs adds another barrier to patient care.

We recognize that the opioid issue is a huge public health crisis. I would like to remind the legislature that pharmacists have stepped up and are already educating prescribers on best practices to safely prescribe opioids, prescribing life-saving drugs to people receiving opioids and referring people to treatment centers. We get it. We stand ready and willing to assist the State of Connecticut in continuing efforts to address this issue. We respectfully state that SB5 is not the answer and only continues to complicate an already difficult problem.