

## **Dear Chairman Smith and Members of the Kansas Taxation Committee,**

I am writing to respectfully request your support of House Bill 2081, which would provide a sales tax exemption for community pharmacies in Kansas. As essential healthcare providers, community pharmacies deliver vital services to patients across our state, especially to uninsured, low-income individuals and those living in rural areas where access to care is often limited.

**What is a community pharmacy?** Specifically, a Community Charitable Pharmacy, operating as a 501(c)(3) nonprofit, exists to improve the health and wellness of individuals facing financial barriers or lacking insurance. These pharmacies provide free medications, charging only a small dispensing fee, and offer healthcare education to empower patients and support better health outcomes.

I am currently the Executive Director of Cairn Health, which is one of only two community pharmacies in the state. Cairn Health opened a statewide community pharmacy in February of this year because I saw the rising cost of medicine for uninsured individuals. We don't want anyone to have to choose between paying for their prescriptions and meeting other basic needs. Cairn Health charges individuals only \$10 per shipment of medication—regardless of how many prescriptions they have.

### **Frank's Story**

Frank is our first rural client of the year. He receives mental health support through one of our partner agencies, and his three prescriptions are vital to his ability to work toward security and stability. Without insurance, these medications cost \$522.19 per month—making it impossible for him to stay on them consistently. He also lives in a rural area and must drive over 40 minutes to the nearest pharmacy. Thanks to our partnership, we transferred Frank's prescriptions to our Community Pharmacy, and he will now receive his medications directly at his doorstep. When he learned about this program, Frank was in disbelief. He told us this service is going to transform his life.

### **Brooke's Story**

Brooke came to our office stressed, unemployed, and out of her mental health medication. She had two job interviews scheduled but was worried about how they would go since she had been off her meds. Cairn Health was able to provide her with a one-month supply of all her medications, and since she is uninsured, she is now eligible to receive her prescriptions through our Community Pharmacy. Instead of paying around \$30 per month, she will now only pay \$10 every 90 days. **Brooke is incredibly grateful and excited for her upcoming interviews, knowing she has reliable, affordable access to her medication.**

### **Caleb's Story**

Caleb is currently living in a shelter, trying to get back on his feet after losing everything due to injuries from a car accident caused by a reckless driver. His medication costs over \$40 per month—an overwhelming expense for someone facing medical restrictions that limit his ability to work. Through a referral from the shelter, our team helped transfer his

prescriptions to our pharmacy. Our pharmacist arranged a 90-day supply of all his medications, and a family member sponsored his \$10 dispensing cost until he has a steadier income. **Instead of paying over \$480 per year, Caleb will now only pay \$40 annually for all his prescriptions.**

Unlike other healthcare services, community pharmacies in Kansas are currently subject to sales tax on medications, medical supplies, and services. This tax burden increases operational costs for nonprofit pharmacies—costs that must then be offset through grants, contracts, and fundraising. These added expenses ultimately limit our ability to serve more Kansans in need.

We respectfully urge the committee to support a policy change that recognizes the unique and essential role community 501(c)(3) pharmacies play in protecting public health. In Kansas, we currently have only two such community pharmacies. These pharmacies are often the only access point to life-saving medications for the most vulnerable Kansans. We believe a healthy community is the foundation of a healthy tax base, and this bill is an investment in both. Exempting community pharmacies from sales tax would have virtually no impact on the state's financial health—but could mean the difference between life and death for some Kansas citizens.

Thank you

Amber Beck  
Executive Director  
Cairn Health Inc.