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RE: SBA Disaster Loan: 3300629564

Congress of the USA
US House of Representatives
Committee of Small Business
Washington DC 20515

Distinguished Congressional Committee Members,

Please accept this written testimony in advance of my scheduled appearance of Wednesday June 10, 2020. I have resided in the City of Philadelphia for over 65 years. The Covid-19 pandemic has severely crippled my business. The inability to effectively manage an independent retail pharmacy under optimal conditions is a delicate balance. Narrow profit margins and ever changing tardy reimbursements by pharmacy benefits managers (PBM) make it difficult. Chain store corporations like CVS, CareMark, Medco, and Walgreen are the new 20th century brands of monopolization. These corporations engage in marginalizing and increasing market share. Retail pharmacy profits have plummeted. According to The National Community Pharmacist Association (NCPA), The profit margin for independent retail pharmacies range from 3% to 5% annually. Low volume pharmacies fill between 10 to 100 prescriptions per day. Medium volume pharmacies fill between 100 to 200 per day. High volume pharmacies fill greater than 200 prescriptions per day. Co-pay losses from patients make cash management nearly impossible. Co-pays vary from various plans at a low of \$2.00 per prescription to as high as \$15.00 per prescription. The pharmacist is placed squarely at odds against the patient, filling prescriptions at a loss. Pharmacies are losing hundreds of dollars in co-pays each week. PBM's (Caremark, Medco, Walgreen) are the largest in the USA. These PBM's have drastically cut reimbursements as much as 15% to 25% off the Average Wholesale Price (AWP). Pharmaceutical wholesalers e.g. Mekesson, Cardinal, and Walgreen now require minimum monthly purchases of \$50,000 to \$100,000 per month. It is a conflict to depend on the a businesses competitor to be pid. The future remains bleak for Christian Street Pharmacy, when factoring in devastating market conditions along with the Covid-19 crisis.

The fundamental mechanics of paying PECO, PGW, Water, Bank Notes, Wholesaler weekly payments, and City of Philadelphia Property tax agreements have caused a financial disaster. The current Social, financial, and business decisions have caused the present crisis. I ask this congressional committee to diligently inquire into the methods for denying EIDL loan applications. Credit checks as a standard for denial or even approval is grossly misleading. What are the parameters for "unsatisfactory Credit History"? Are small businesses being fairly considered?

Respectfully,


Jerome Whack