



March 13, 2025

Dear Chair Brenda Dietrich, Vice Chair Michael Fagg, and members of the Senate Committee on Financial Institutions and Insurance:

Consumer Action for a Strong Economy (CASE) writes today to represent the interests of millions of American consumers before your committee to express our strongest opposition to Kansas [Senate Bill 284](#). This proposal would mandate that pharmaceutical manufacturers distribute 340B-priced medications to all contract pharmacies, expanding an already problematic program without addressing its fundamental flaws.

The 340B program was originally designed to help hospitals and medical facilities provide rural, low-income, and underserved patients with discounted prescriptions. However, this wasteful program remains unchecked, with lax federal guidance allowing hospitals to exploit discounts while charging patients significantly higher prices.

Expanding the program through SB 284 would only worsen these issues and benefit the largest pharmacy benefit managers (PBMs). Over [50 percent](#) of 340B contract pharmacies are already associated with PBMs through vertical integration. These middlemen are notorious for manipulating drug pricing to maximize profits at consumers' expense. Independent pharmacies, which are crucial for underserved communities, will be further squeezed out, reducing patient access to affordable care.

Additionally, the 340B program is a federal initiative to be solely governed by federal law. States lack the authority to make changes to the program such as those being considered by SB 284. Similar legislation has faced legal challenges in other states and some courts have [already found](#) that manufacturers are not required under existing federal law to supply discounted drugs to an unlimited number of contract pharmacies. This further highlights the flaws within SB 284.

Ultimately, this legislation will expand a deeply flawed program that benefits corporate interests over patients. While well-intended in theory, this bill will allow for further fraud and abuse while enriching hospitals and PBMs at taxpayers' expense. CASE urges the Kansas legislature to reject SB 284 and stop the expansion of this broken system.

Sincerely,

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