



Written Testimony in Support of Senate Bill 360 Kansas Consumer Prescription Protection and Accountability Act

Chair and Members of the Committee,

Thank you for the opportunity to submit written testimony in support of **Senate Bill 360**, the Kansas Consumer Prescription Protection and Accountability Act.

My name is **Dared Price**, and I am the owner of **Price Pharmacies, Inc.**, which operates eight independent community pharmacies across South Central Kansas. I also serve as Chief Growth Officer and owner of **Oread Rx**, a transparent pharmacy benefits manager founded in 2018 by four Kansas independent pharmacy owners. My perspective on this issue is informed by my experience as a pharmacy owner, a PBM owner, and a healthcare consumer.

At its core, Senate Bill 360 addresses a fundamental problem in our healthcare system: **unchecked pharmacy benefit manager (PBM) market power driven by vertical integration**. The largest healthcare companies often own the insurer, the PBM, the specialty pharmacy, and the mail-order pharmacy. This structure enables these entities to steer patients to affiliated pharmacies, reimburse independent pharmacies below cost, and impose audit practices that are inconsistent, punitive, and often abusive.

Independent pharmacies are not seeking special treatment or subsidies. We are asking for **basic protections against anti-competitive conduct**. The provisions in this bill addressing fair audits, registration of auditing entities, and prohibitions on discriminatory reimbursement practices are essential. Without these safeguards, Kansas communities will continue to lose access to local pharmacies, which are often the most accessible healthcare providers in rural and underserved areas.

In the past year alone, **five pharmacies have closed in the Wichita area**, with additional closures expected if current practices continue. One of my pharmacies has been subject to an audit by a major PBM for more than **a year and a half**, requiring the production of thousands of documents and tens of thousands of dollars in legal expenses. The alleged basis for fraud was the use of centralized strip packaging for patients across our eight locations—a practice proven to improve medication adherence and patient outcomes. The PBM is attempting to terminate our pharmacy from its network for this practice. This is a clear example of predatory behavior that underscores the need for legislative oversight.

PBMs are not only harming pharmacies; they are **driving up total healthcare costs** for employers, families, and taxpayers. Through our work at Oread Rx, we consistently observe that employer-sponsored health plans pay **85 to 95 percent** of total prescription drug costs. When



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PBMs engage in opaque practices such as spread pricing and rebate retention, overall costs increase while transparency disappears.

Independent analysis confirms this trend. Over a four-year period, employer prescription drug costs increased by approximately **30 percent**, while pharmacy reimbursement declined. Employers paid more, pharmacies were paid less, and patients did not benefit—the difference accrued to PBMs.

It is important to directly address a significant misconception surrounding this legislation: **mandating fair dispensing fees does not increase patient copays**. I can identify **more than 100 Kansas employers** currently using Oread Rx, all of whom will attest that when they transitioned away from large national PBMs, employee copays **did not increase and in many cases decreased**. Patients are paying less at the pharmacy counter, employers are spending less overall, and pharmacies are being reimbursed fairly.

Fair dispensing fees are not the cause of high copays. **Hidden spread pricing, inflated claim pricing, and retained rebates are the true drivers of increased patient costs**. The claim that Senate Bill 360 creates a “pill tax” is simply inaccurate. When pricing is transparent and rebates are passed through to the plan and patient, fair pharmacy reimbursement and lower patient costs coexist. This model is already working successfully in Kansas.

For these reasons, the bill’s transparency provisions are critical. Requiring disclosure of spread pricing, rebates, and reimbursement relative to acquisition costs brings accountability to practices that currently operate in secrecy.

Senate Bill 360 also aligns with **proven Kansas-based solutions**. Oread Rx was designed as a transparent conduit—eliminating spread pricing, utilizing cost-based reimbursement, and passing through 100 percent of rebates. Since 2020, in my hometown of Winfield, this approach has helped local employers, schools, and hospitals save **more than \$7 million** in prescription drug costs. These savings remain in the community, supporting better public services and lower healthcare premiums.

By licensing PBMs, enforcing transparency through examinations, and establishing clear standards of conduct, Senate Bill 360 restores balance to a system that has tilted too far toward hidden profits and unchecked market power.

In closing, this legislation is not about punishing PBMs. It is about **accountability, transparency, and protecting patient access to care**. As a Kansas pharmacy owner and PBM leader, I have seen firsthand that transparency lowers costs, preserves access, and improves patient outcomes. I respectfully urge the committee to support and pass Senate Bill 360 for the benefit of Kansas patients, employers, and communities.



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Thank you for your consideration.

Respectfully submitted,

Dared Price

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