

January 27, 2026

The Honorable Brenda Dietrich
Chair, Committee on Financial Institutions and Insurance
300 SW 10th Street
Room 223-E
Topeka, Kansas 66612

SB 360 - Pharmacy benefit managers – NCPA supports

Dear Chair Dietrich and Members of the Committee:

The National Community Pharmacists Association is pleased to **support SB 360**, legislation seeking to address some of the many egregious business practices of Pharmacy Benefits Management (PBM) companies.

NCPA represents the interest of America's community pharmacists, including the owners of nearly 19,000 independent community pharmacies across the United States and approximately 182 independent community pharmacies in the State of Kansas. These pharmacies employed nearly 2,300 residents and they filled more than 12.3 million prescriptions in 2024.

Community pharmacists have long known that opaque PBM practices not only hamper patients' ability to obtain pharmacy services from their trusted community pharmacists, but those practices can also lead to higher drug costs for both patients and plan sponsors. Due to the massive consolidation and vertical integration in the health insurance market¹, the three largest PBM's control 80% of the prescription drug market² giving them the power to engage in abusive practices which limit patient access, increase drug costs and threaten the viability of small business pharmacies.

NCPA strongly supports the use of the National Average Drug Acquisition Cost (NADAC) benchmark as the foundation for drug product reimbursement. While not perfect, NADAC is a cost-based average that is determined by a monthly nationwide survey, which usually makes its reimbursement fair and reasonable to community pharmacies. Kansas would join leaders West Virginia, Tennessee, Kentucky, Alabama, Colorado, Iowa, Indiana, and Montana in creating commercial market reimbursement regiments based on cost-based benchmarks such as NADAC. We also support the bill's approach to setting an accompanying professional dispensing fee of \$10.50 or the Medicaid professional dispensing fee, whichever is higher. In combination, these provisions will create adequate reimbursement for community pharmacies in Kansas.

¹ <https://ncpa.org/sites/default/files/2023-01/verical-bus-chart.jpg>

² [Drug Channels: The Top Pharmacy Benefit Managers of 2021: The Big Get Even Bigger](#)

NCPA also supports SB 360's prohibition of reimbursing pharmacies less if they are not owned or affiliated with a PBM. This will have added the benefit of disincentivizing patient steering. It is not uncommon for a PBM to require patients to utilize a PBM-owned or affiliated pharmacy, often a mail-order pharmacy. The PBM is then free to reimburse its pharmacy at higher rates, thereby forcing patients and plan sponsors to pay higher costs to the PBM.

We strongly support the audit protections proposed in the bill. In particular, we appreciate the attention to timelines and the prohibition of extrapolation as an auditing practice. The bill appears to recognize that PBMs regularly engage in predatory audit practices, including as retaliation when pharmacies file complaints. It may be helpful to establish more specific parameters for what constitutes fraud, waste, and abuse. Too often PBMs allege fraud, waste, and abuse without substantiation in order to pull back revenue.

NCPA appreciates the bill language dedicated to PBM oversight and enforcement, including the granting of broad authority to the Office of the Insurance Commissioner to examine PBMs. We strongly support the provision authorizing the Commissioner to order reimbursement in response to violations of the law. NCPA commends the bill for lifting and/or removing caps on penalties and designating the fines to a dedicated account to sustain the oversight program. In the spirit of encouraging strong oversight, we offer our Best Practices for PBM Enforcement issue brief as a resource.³

We urge you to advance SB 360. We appreciate Senator Shallenburger for her request to introduce the bill. Thank you for receiving our perspective. If you have any questions or if I can be of assistance, please don't hesitate to contact me at joel.kurzman@ncpa.org or (703) 600-1186.

Sincerely,

A handwritten signature in black ink that reads "Joel Kurzman". The signature is written in a cursive style and is centered within a light gray rectangular box.

Joel Kurzman
Director, State Government Affairs

³ <https://ncpa.org/sites/default/files/2024-07/ncpa-best-practices-pbm-enforcement.pdf>