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Testimony in support of Senate Bill 360

January 28th, 2026

Chairwoman Brenda Dietrick and members of the Senate Committee on Financial Institutions and Insurance:

Thank you for the opportunity to share testimony in support of Senate Bill 360. My name is Will Anderson. I am the pharmacist and owner of Orchards Drug in Lawrence, and I'm testifying on behalf of my local business and on behalf of pharmacists and patients from across our state, who live and work in our communities and rely on our local pharmacies for their medications.

Every pharmacy and every patient in Kansas is facing a huge crisis. People are struggling with high prices on medications while pharmacies are struggling to keep their doors open due to below-cost reimbursement. Huge insurance monopolies control every aspect of our healthcare and they're using their power to raise prices and eliminate competition. At its core, **Senate Bill 360 is about Kansans standing up to the huge corporations profiting off our healthcare from the shadows.**

PBMs use a variety of anticompetitive tactics to reduce competition and enrich themselves. They are systematically eliminating local pharmacies by paying them below-cost, while overcharging patients every step of the way.

At my independent pharmacy last year, 20% of prescriptions filled were paid below the cost of the medication itself, with 73% of all prescriptions required to get back to break even—\$0 profit made above the cost of the medication. Those prescriptions cost over \$400,000 to fill (average cost to dispense is \$15.85/rx per KS Medicaid 2025 study). **When dispensing costs are included, losses from filling prescriptions exceed \$200,000 per year.** No matter how well your pharmacy cares for patients or how efficient the pharmacy is, **independent pharmacies cannot survive by filling prescriptions under current anticompetitive PBM reimbursement practices.**

Every community needs access to prescription medication, but pharmacies are closing in droves across the state, leaving communities with limited or no access to essential healthcare. **I urge you to support PBM reform that includes basic protections to restore competition, prevent pharmacy closures, and keep care in our communities.**

At the same time as PBMs are underpaying and closing independent pharmacies in Kansas, they pay their own pharmacies huge markups to fill the same prescriptions. **PBMs pay their own pharmacies more than independent pharmacies to fill the same drug for the same patient. These costs are passed on to consumers through higher premiums.** Multiple studies have documented this self-enriching and anticompetitive practice, including the FTC 2025 report showing frequent **markups over 1000%** and Mississippi Board of Pharmacy 2024 report showing payments **up to 22x higher** than independent pharmacies for the same medication. **Anticompetitive self-dealing hurts patients and employers by raising healthcare costs and premiums for no added value.**

The result of these abuses is that local, independent pharmacies who serve our communities are being forced out of business in an anticompetitive manner while PBMs have grown to be the largest companies on the planet. Service, quality, and demand no longer contribute to success for pharmacies. The deciding factor of success is whether or not you are integrated into the PBM monopoly. If you're not, you are being systematically eliminated.

Patients pay the price for these abuses through increased costs and decreased choice. I urge you to take action to pass Senate Bill 360 to lower costs and protect patient access to local healthcare.

PBMs have created a complex, opaque, and expensive healthcare system. Without transparency, we can't see where all the money goes. We can only see the effects, that under their control, our healthcare costs are skyrocketing, local pharmacies are closing, and they're profiting in the billions. **We can also see the real-world effects of PBM reform in other states.**

In 2018, the state of Ohio found that in just one year, PBMs overcharged their Medicaid program by \$224 million in spread pricing alone. This led Ohio to move to a single-PBM model with transparent pricing. **Ohio saved \$140 million in 2 years while at the same time increasing reimbursements to providers from \$0.73 to \$9.00 per prescription.** PBM reform increases transparency, lowers costs, and creates fair reimbursement to local healthcare providers.

I urge you to pass Senate Bill 360 to protect our patients and our local pharmacies, to protect the people instead of corporations. I urge you to stand with Kansans to bring transparency, accountability, and fairness back to our healthcare system.

Thank you for your consideration.

Sincerely,

Will Anderson
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