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Testimony In Opposition to Senate Bill 360
Mid-America Carpenters Regional Council
Mark Dalton, Assistant Political Director
Senate Financial Institutions and Insurance Committee
January 28, 2026

Chair Dietrich, Vice-Chair Fagg, and Members of the Committee:

On behalf of Mid America Carpenters Regional Council, I respectfully submit this testimony in opposition to SB 360.

We support transparency in pharmacy benefit management and value the role independent pharmacies play in our communities. Our health plan already operates under a fully transparent, pass-through PBM model, using net acquisition cost pricing with 100 percent rebate pass-through. For that reason, our concern with SB 360 is not transparency — it is the unintended cost inflation the bill would create for employers and working families.

Although SB 360 excludes ERISA self-funded plans from the definition of a “covered entity,” that exemption does not prevent cost impacts in practice. PBMs and pharmacies operate on standardized systems and pricing benchmarks across their books of business. When Kansas establishes statutory reimbursement floors and mandated dispensing fees, those benchmarks quickly become the market reference point, including for ERISA plans that are technically exempt. As a result, workers and employers bear higher costs without receiving any regulatory protection or offsetting benefit.

SB 360’s reimbursement provisions function as price floors, not transparency tools. Mandating payment at NADAC plus a minimum professional dispensing fee reduces competition on generic pricing, pushes net acquisition cost benchmarks upward over time, and locks in dispensing fees regardless of efficiency or scale. Under transparent PBM models like ours, these higher costs are simply passed directly through to the plan and its members.

The bill’s affiliate parity provisions further limit proven cost-containment strategies. Preventing PBMs from using affiliated mail or specialty pharmacies to achieve lower unit costs removes an important lever employers rely on to manage specialty drug spending and maintain predictable pricing.

We are also concerned about the bill’s audit restrictions. While reasonable guardrails are appropriate, SB 360 significantly limits timely recoupment and the ability to address fraud, waste, and abuse. Over time, increased claims leakage translates directly into higher premiums and cost sharing for members.

Finally, SB 360 expands PBM regulatory requirements and allows examination costs to be assessed to PBMs. Under transparent, pass-through arrangements, those costs are not hidden — they are itemized and billed directly to the plan. Ironically, employers who have already chosen transparency feel these impacts most acutely.

SB 360 is not occurring in isolation. Its structure resembles an omnibus template that could be replicated in other states or evolve into hybrid proposals affecting ERISA plans more directly. For employers striving to offer affordable coverage, preserving flexibility and competition in pharmacy pricing is essential.

For these reasons, we respectfully urge the Committee not to move forward with SB 360 to avoid policies that unintentionally hard-code higher costs into the system. We stand ready to work with lawmakers on solutions that support pharmacies without undermining employers and the workers they cover.

Thank you for your consideration of this testimony.