



Senate Committee on Financial Institutions and Insurance
Opponent Testimony to Senate Bill 360
Presented by William Wilk, Senior Director of Government Affairs

Wednesday, January 28, 2026

Madam Chair and members of the committee, my name is William Wilk, Senior Director of Government Affairs for the Kansas Chamber. The Kansas Chamber represents small, medium, and large-sized businesses across the state, advocating for policies which improve the economic climate in Kansas. The Kansas Chamber appreciates the opportunity to submit opponent testimony to Senate Bill 360, enacting the Kansas consumer prescription protection and accountability act.

This bill would provide regulation of pharmacy benefit managers and establish procedures and requirements for the conduct of pharmacy audits. There are some provisions within this legislation that are positive, such as the transparency pieces outlined in New Section 3 of the bill. More often than not in healthcare especially when it comes to prescriptions individuals and employers are not aware of what the actual costs of drugs are and who is specifically paying what fees associated with prescriptions.

Furthermore, we believe there should be a cautious approach to how this legislation moves forward. The United States House of Representatives just advanced H.R. 7148 which is the Consolidated Appropriations Act of 2026. A couple of the provisions within this act we would like to highlight dealing with Pharmacy Benefit Managers are the transparency pieces dealing with spread pricing and ensuring the rebate on drug prescriptions goes to the carrier if insured and to the health plan if self-insured. Senate Bill 360 would require the rebate be calculated at the point of service. The rebate is supposed to go to the employer, but as some employers are self-insurers they can choose a portion of their rebate to remain with the PBM to avoid annual administrative fees, as a contractual agreement with the PBM. This bill has several more steps before being sent to the President's desk but the provisions dealing with PBMs gained bi-partisan support from the House and are unlikely to be taken out by the United States Senate. If these provisions do become federal law, Kansas must avoid putting PBMs at the risk of choosing to violate Federal law or State law.

Secondly, one provision we have concerns with is New Section 5 (a)(2) (A) and (B), the \$10.50 dispensing fee on consumers. This is government price-controlled intervention and an increase of \$7.10 from K.A.R. 30-5-94. If SB360 becomes law the \$10.50 dispensing fee per a drug prescription is set in statute increasing the cost on consumers every time a drug prescription is filled. To our understanding, the dispensing fee is covered by an individual health plan. The *Kansas Health Institute* estimated that 54.9% of Kansans receive their health insurance coverage from an employer. This provision will increase the cost of healthcare insurance premiums on employers, ultimately increasing the cost of doing business in Kansas. From our

survey of 300 businesses owners and executives in Kansas 49% said managing health costs was most important to profitability. This answer was an all-time high since we have conducted this blind survey going back to 2004.

We have heard from one member that if SB360 becomes law the \$10.50 dispensing fee provision will increase their health plan costs by \$1.8 million annually. We have sent Senate Bill 360 to our members and asked their health benefits manager to review the language to see the cost implications on their health plans if this bill were to become law.

Additionally, within New Section 5 (a) (2)(A) and (B) lines 24 and 28 putting the *National Average Drug Acquisition Cost* will increase pharmacy costs on employers by 20% for all prescriptions in that area.

We would like to recommend to the committee these provisions be stricken from the bill.

Lastly, a provision that was brought to our attention in Section 10 (e)(2) (A) striking *self-funded plan that is exempt from state regulation pursuant to ERISA*. Under the Employee Retirement Income Security Act of 1974 (ERISA) §514(a) creates exclusive federal control over employee benefit plans by preempting all state laws that relate to any employee benefit plan. Iowa passed SF 383 last year which provided state regulation on ERISA plans and this provision is currently tied up in court. SB 360 will create state regulation on ERISA plans if they partner with a PBM, ultimately creating issues for litigation in Kansas like we are seeing in Iowa.

If these two provisions are removed from the bill, we would move our position to neutral going forward.

This is a complex piece of legislation with some beneficial provisions. But we are still in the process of collecting feedback from our membership on the implications if Senate Bill 360 were to become law. Thank you for the opportunity to testify in opposition to Senate Bill 360, and I am happy to answer any questions you might have at the appropriate time.