

Proponent Testimony for Senate Bill 360
Katie Allen, PharmD
Lawrence, KS

Chair Dietrich and Members of the Committee:

I am a pharmacist practicing at The University of Kansas Health System and Stormont Vail Health as an inpatient pharmacy operations manager and clinical pharmacist. I am also the proud grand-daughter of a former independent pharmacy owner in Junction City, KS. Thank you to the committee for the opportunity to provide testimony in strong support of SB360.

For many Kansas patients, getting a prescription filled has become confusing, expensive, and unpredictable. Patients assume when their doctor prescribes a medication and their insurance approves it, the price they pay reflects a fair, negotiated cost. In reality a hidden middleman, the pharmacy benefit manager (PBM), frequently determines which drugs are covered, where patients can fill prescriptions, and how much they must pay at the pharmacy counter. Patients have no visibility into these decisions and no meaningful ability to challenge them. As a result, patients regularly experience:

- High and unpredictable out-of-pocket costs, even for long-standing medications
- Being told a prescription is covered, but discovering the cost at pickup is far higher than expected
- Paying more for a medication using insurance than if they paid cash
- Being forced to switch medications or pharmacies for non-medical reasons
- Losing access to trusted local pharmacies due to unfair reimbursement practices

Patients rarely benefit from the rebates and discounts PBMs negotiate with drug manufacturers. While those rebates are often justified as cost-saving tools, they frequently do not reduce what patients pay at the point of sale — meaning patients are charged based on inflated prices while savings are retained elsewhere in the system. And they hurt Kansas pharmacies.

States nationwide are adopting PBM reforms to combat rising prescription drug costs and expand accountability for PBMs. Kansas has an opportunity with SB 360 to join this proactive trend and put patient interests first. This bill is consumer-centric, pharmacy-friendly, and administratively sound. It addresses real concerns from patients who struggle with drug affordability and small pharmacies that face pressure from complex reimbursement structures. This bill contains critical reforms that are necessary to protect Kansas patients. It brings transparency and accountability to harmful PBM practices, lowers prescription costs for patients, and protects access to local pharmacy care. For the health and welfare of Kansas communities, we ask that you support SB 360 today.

Thank you for your time.

Katie Allen, PharmD



Proponent Testimony for Senate Bill 360
Michael Burns RPh
President/CEO AuBurn Pharmacy

Chair Dietrich and Members of the Committee:

Good afternoon, Thank you for the opportunity to be here.

My name is Mike Burns, I am a pharmacist and owner of AuBurn Pharmacy. We have pharmacies across Kansas serving communities large and small.

I think at this point I don't have to explain how PBMs got their start, but I do want to continue to remind everyone where they are today. The vertical integration and consolidation have resulted in a monopoly. We do not have a free market today.

The PBMs take advantage of that by underpaying pharmacies, driving them out of business, which forces more business into their own pharmacies. While they tout the savings by using their own "specialty" pharmacies and mail order, the reality is quite the opposite.

Employers, taxpayers and patients are paying the price.

I now want to share a personal story with you.

About 6 years ago, I was diagnosed with cancer. As a result, my team of doctors created a plan that included radiation and chemotherapy.

I was in a unique situation where I was now the patient, the pharmacist, pharmacy owner and plan sponsor (the one responsible for providing the health plan for myself and our employees).

Along with my radiation and IV therapies, I was prescribed Capecitabine, an oral chemo drug.

AuBurn Pharmacy was at the time with BCBS who had Optum as their PBM. In preparation for my treatment I attempted to fill my prescription at my pharmacy. I had the medication on my shelf and was of course contracted to fill AuBurn employee prescriptions through BCBS/Optum.

Much to my surprise, the claim was rejected. Directing me to fill this medication at the BCBS "specialty" pharmacy.

Let me explain specialty. The PBM determines which medications are "special". They claim they are special due to cost and are a more complicated, complex therapy.

Please refer to the attached documents I have provided that show the results of sending my prescription to the "specialty" pharmacy.

Remember my pharmacy had it on the shelf, and I was contracted with Optum. My cost, after all rebates, for the 6 months of therapy, was roughly \$2600. Acceptable professional fees to fill those prescriptions for 6 months would have been \$240 for a total of \$2850.

Please pay particular attention to what was billed and allowed, once these went to “specialty”.

\$15,000 allowed and paid by my plan vs \$2800 at my own pharmacy. So not only did this practice prohibit a patient from accessing their local pharmacy but it INCREASED the cost by \$12,000. That is over a 4000% increase in costs. This obviously increases my plan expenses, which in turn would trigger an increase in premiums the following plan year.

Add insult to injury, not once did I get phone call from the specialty pharmacy offering to counsel me on this incredibly “complex therapy.

I don't have to explain how wrong this is. And this is happening thousands of times daily across our country and right here in Kansas.

I want to also then share my experience as the plan sponsor when I decided to finally cut out the middleman, the PBM and move to a self funded health plan with a fully transparent PBM, who only processes claims. No mail order, no specialty, no spread pricing, no manufacturer kickbacks kept by the PBM and insurance company.

Please see the attached documents provided regarding health plan costs for AuBurn over the last 5 years.

As you can see, once we removed the PBM and other middlemen, our costs have remained flat. Very remarkable when annual increases were nearly 10% and still do today for other employers and employees.

We also have increased benefits at the same time, adding an HSA and a buy up plan option.

The facts are clear. PBM reform does not increase costs. It reduces costs. Other states have proven that. AuBurn Pharmacy proved that.

Today, pharmacy is not a free market. It is a monopoly. I have been told by certain legislators that they don't feel it is right to get in the middle of private negotiations with businesses. When a monopoly exists, you must. You owe it to all that you represent.

On behalf of Kansas taxpayers, patients, employers and employees, I urge you to enact PBM reform legislation to eliminate anticompetitive practices, ensure access to quality pharmacy service and restore a competitive market.

Thank you and I welcome any questions.



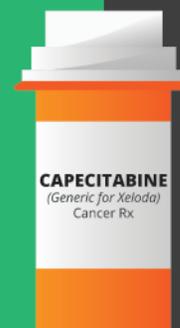
CAPECITABINE: A FULL PERSPECTIVE

**Local
Pharmacy
Cash Price**

6 month supply
\$2,300

**PBM
Insurance
Pricing**

6 month supply
\$15,300



Where are **YOUR** healthcare dollars going?
#PBMreform

*Source: May 2023 House Energy & Commerce Hearing Cost Plus Drugs Comparison Data

Capecitabine: Explanation of Benefits

Claim #385778386185586570

| | | | |
|------------------------------------|---|-----------------------------------|---------------------------------|
| PATIENT MICHAEL W BURNS | PROVIDER SAINT LUKE'S ADVANCED CARE PHA | SERVICE DATE 01/10/2019 | SERVICE TYPE Pharmacy |
| TOTAL CHARGES \$3,285.97 | STATUS COMPLETE | | |

CLAIM DETAILS PRESCRIPTION INFO

Your Part: \$0.00

| | | | |
|----------------------------|------------------------------|--|---------------------------------------|
| COPAYMENT \$0.00 | COINSURANCE \$0.00 | APPLIED TO DEDUCTIBLE \$0.00 | NON-COVERED SERVICES \$0.00 |
|----------------------------|------------------------------|--|---------------------------------------|

Other Details

| | | |
|------------------------------------|---------------------------------------|--------------------------------------|
| DATE RECEIVED 01/10/2019 | OTHER INSURANCE PAID \$0.00 | NETWORK SAVINGS \$2,416.17 |
| PAID BY PLAN \$869.60 | | |

Claim #385778386185586570

| | | | |
|------------------------------------|---|-----------------------------------|---------------------------------|
| PATIENT MICHAEL W BURNS | PROVIDER SAINT LUKE'S ADVANCED CARE PHA | SERVICE DATE 01/10/2019 | SERVICE TYPE Pharmacy |
| TOTAL CHARGES \$3,285.97 | STATUS COMPLETE | | |

CLAIM DETAILS PRESCRIPTION INFO

Prescription Info

| | | | |
|---|--------------------------------------|---|---------------------------------|
| PRESCRIPTION CAPECITABINE 500 MG TABLET | NDC CODE 64980027712 | PHARMACY SAINT LUKE'S ADVANCED CARE PHA | CLAIM DATE 01/10/2019 |
| PROCESS DATE 01/11/2019 | PROVIDER ADDISON TOLENTINO | RX NUMBER 00005209 | QUANTITY 64 |

Claim #684798586185586570

| | | | |
|-----------------------------------|---|-----------------------------------|---------------------------------|
| PATIENT MICHAEL W BURNS | PROVIDER SAINT LUKE'S ADVANCED CARE PHA | SERVICE DATE 01/10/2019 | SERVICE TYPE Pharmacy |
| TOTAL CHARGES \$657.27 | STATUS COMPLETE | | |

CLAIM DETAILS PRESCRIPTION INFO

Your Part: \$0.00

| | | | |
|----------------------------|------------------------------|--|---------------------------------------|
| COPAYMENT \$0.00 | COINSURANCE \$0.00 | APPLIED TO DEDUCTIBLE \$0.00 | NON-COVERED SERVICES \$0.00 |
|----------------------------|------------------------------|--|---------------------------------------|

Other Details

| | | |
|------------------------------------|---------------------------------------|------------------------------------|
| DATE RECEIVED 01/10/2019 | OTHER INSURANCE PAID \$0.00 | NETWORK SAVINGS \$361.66 |
| PAID BY PLAN \$295.71 | | |

Claim #684798586185586570

| | | | |
|-----------------------------------|---|-----------------------------------|---------------------------------|
| PATIENT MICHAEL W BURNS | PROVIDER SAINT LUKE'S ADVANCED CARE PHA | SERVICE DATE 01/10/2019 | SERVICE TYPE Pharmacy |
| TOTAL CHARGES \$657.27 | STATUS COMPLETE | | |

CLAIM DETAILS PRESCRIPTION INFO

Prescription Info

| | | | |
|---|--------------------------------------|---|---------------------------------|
| PRESCRIPTION CAPECITABINE 150 MG TABLET | NDC CODE 64980027606 | PHARMACY SAINT LUKE'S ADVANCED CARE PHA | CLAIM DATE 01/10/2019 |
| PROCESS DATE 01/11/2019 | PROVIDER ADDISON TOLENTINO | RX NUMBER 00005204 | QUANTITY 66 |

Capecitabine: Explanation of Benefits

Claim #652349663491331670

| | | | |
|------------------------------------|--|-----------------------------------|---------------------------------|
| PATIENT MICHAEL W. BURNS | PROVIDER SAINT LUKE'S ADVANCED CARE PHA. | SERVICE DATE 01/30/2019 | SERVICE TYPE Pharmacy |
| TOTAL CHARGES \$499.48 | STATUS COMPLETE | | |

CLAIM DETAILS PRESCRIPTION INFO

Prescription Info

| | | | |
|---|--------------------------------------|--|---------------------------------|
| PRESCRIPTION CAPECITABINE 150 MG TABLET | NDC CODE 00093747306 | PHARMACY SAINT LUKE'S ADVANCED CARE PHA. | CLAIM DATE 01/30/2019 |
| PROCESS DATE 02/05/2019 | PROVIDER ADDISON TOLENTINO | RX NUMBER 000005204 | QUANTITY 40 |

Claim #499846321691331670

| | | | |
|------------------------------------|--|-----------------------------------|---------------------------------|
| PATIENT MICHAEL W. BURNS | PROVIDER SAINT LUKE'S ADVANCED CARE PHA. | SERVICE DATE 01/30/2019 | SERVICE TYPE Pharmacy |
| TOTAL CHARGES \$2347.12 | STATUS COMPLETE | | |

CLAIM DETAILS PRESCRIPTION INFO

Your Part: \$0.00

| | | | |
|----------------------------|------------------------------|--|---------------------------------------|
| COPAYMENT \$0.00 | COINSURANCE \$0.00 | APPLIED TO DEDUCTIBLE \$0.00 | NON-COVERED SERVICES \$0.00 |
|----------------------------|------------------------------|--|---------------------------------------|

Other Details

| | | |
|------------------------------------|---------------------------------------|--------------------------------------|
| DATE RECEIVED 02/05/2019 | OTHER INSURANCE PAID \$0.00 | NETWORK SAVINGS \$1,728.26 |
| PAID BY PLAN \$621.86 | | |

Claim #652349663491331670

| | | | |
|------------------------------------|--|-----------------------------------|---------------------------------|
| PATIENT MICHAEL W. BURNS | PROVIDER SAINT LUKE'S ADVANCED CARE PHA. | SERVICE DATE 01/30/2019 | SERVICE TYPE Pharmacy |
| TOTAL CHARGES \$499.48 | STATUS COMPLETE | | |

CLAIM DETAILS PRESCRIPTION INFO

Your Part: \$0.00

| | | | |
|----------------------------|------------------------------|--|---------------------------------------|
| COPAYMENT \$0.00 | COINSURANCE \$0.00 | APPLIED TO DEDUCTIBLE \$0.00 | NON-COVERED SERVICES \$0.00 |
|----------------------------|------------------------------|--|---------------------------------------|

Other Details

| | | |
|------------------------------------|---------------------------------------|------------------------------------|
| DATE RECEIVED 02/05/2019 | OTHER INSURANCE PAID \$0.00 | NETWORK SAVINGS \$244.07 |
| PAID BY PLAN \$225.47 | | |

Claim #499846321691331670

| | | | |
|------------------------------------|--|-----------------------------------|---------------------------------|
| PATIENT MICHAEL W. BURNS | PROVIDER SAINT LUKE'S ADVANCED CARE PHA. | SERVICE DATE 01/30/2019 | SERVICE TYPE Pharmacy |
| TOTAL CHARGES \$2347.12 | STATUS COMPLETE | | |

CLAIM DETAILS PRESCRIPTION INFO

Prescription Info

| | | | |
|---|--------------------------------------|--|---------------------------------|
| PRESCRIPTION CAPECITABINE 500 MG TABLET | NDC CODE 64920027712 | PHARMACY SAINT LUKE'S ADVANCED CARE PHA. | CLAIM DATE 01/30/2019 |
| PROCESS DATE 02/05/2019 | PROVIDER ADDISON TOLENTINO | RX NUMBER 000005203 | QUANTITY 60 |

Capecitabine: Local Pharmacy Cost

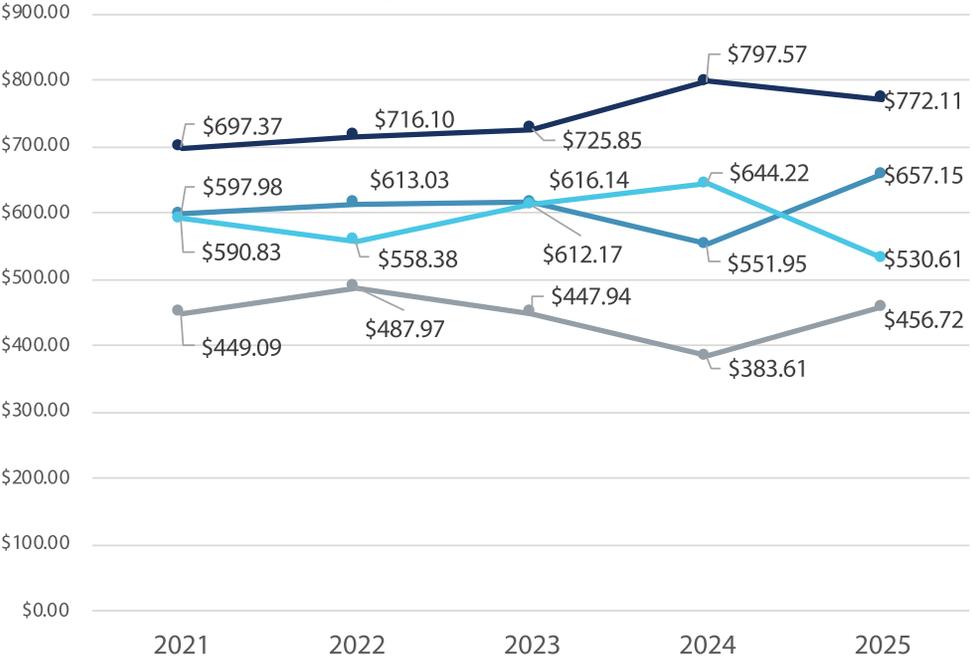
| ALT | QTY | STOCK | CIN NDC/UPC | TRADE NAME MFR | STRENGTH | FORM | SIZE | TYPE | NET COST ^ | INVOICE COST | NET UOI COST | RETAIL PRICE | CONTRACT | NOTES |
|-----|-----|-------|--------------------------|------------------------|----------|------|----------|------|------------|--------------|-----------------|-----------------|----------|-------|
| + | 0 | ● | 5116280 16729-0072-12 | CAPECITABINE ACCORD | 150MG | TABS | 1x60 EA | Rx | \$35.72 | \$64.94 | \$0.5953 | | 1-SOURCE | Ⓜ |
| + | 0 | ● | 5116306 16729-0073-29 | CAPECITABINE ACCORD | 500MG | TABS | 1x120 EA | Rx | \$203.57 | \$370.13 | \$1.6964 | | 1-CHOSRC | Ⓜ |

Capecitabine: Cost Comparison

| | | | | |
|--|---|---|-----------------------------------|---------------------------------------|
| Optum (PBM) | | | | |
| See EOBs | Capecitabine 150mg #120 (month supply) | Capecitabine 150mg #120 (6 month supply) | Monthly Total (both strengths) | 6 month Treatment (both strengths) |
| Billed Amount to Plan | \$1,408.44 | \$7,041.36 | \$8,449.80 | \$50,698.80 |
| Plan Allowed Amount | \$633.66 | \$1,863.86 | \$2,497.52 | \$14,985.12 |
| Cost of Drug | \$129.88 | \$305.35 | \$435.23 | \$2,611.38 |
| Profit (Optum) | | | | \$12,373.74 |
| AuBurn Rx Cost | \$129.88 | \$305.35 | \$435.23 | \$2,611.38 |
| Professional fees @\$20/rx X 12 Rxs =\$240 profit total | | | | \$240.00 |
| Total cost to plan if filled at AuBurn | | | | \$2,851.38 |
| Total cost to plan when filled at Optum "specialty" | | | | \$14,985.12 |
| Increase due to Optum Specialty | | | | \$12,133.74 |

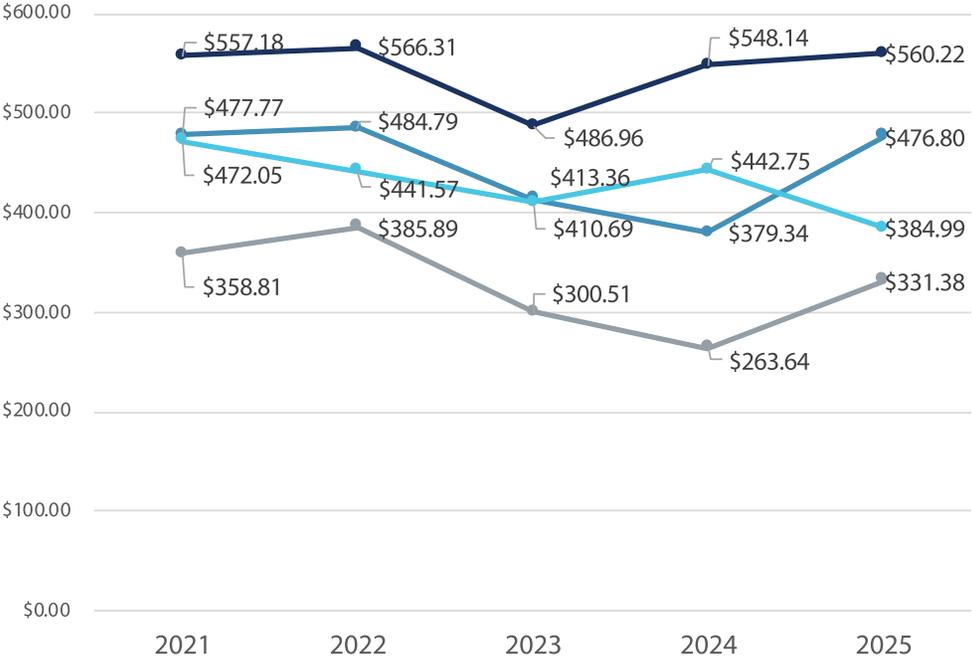
What happens to drug spend when you cut out PBMs?

Per Employee Per Month Costs



- PEPM Maximum
- PEPM Expected/Funding
- PEPM Actual
- PEPM Auburn Contribution

Per Member Per Month Costs



- PMPM Maximum
- PMPM Expected/Funding
- PMPM Actual
- PMPM Auburn Contribution

THE TRUE COST OF PBM SELF-DEALING

\$6,000-\$16,500 difference annually for one drug

1

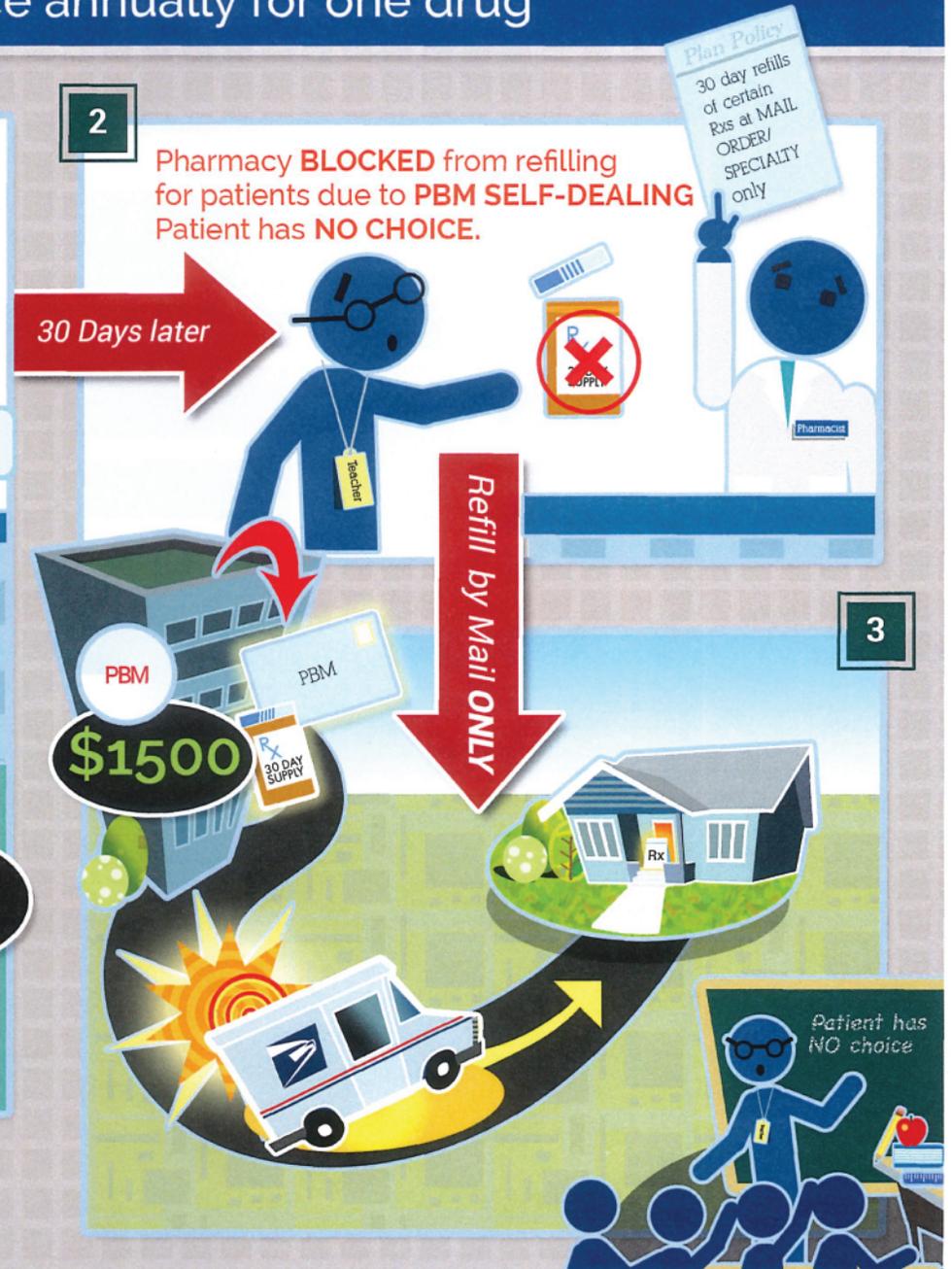
CANCER drug "30 day supply"

Patient has a choice in pharmacies and takes prescription to local pharmacy



2

Pharmacy **BLOCKED** from refilling for patients due to **PBM SELF-DEALING**
Patient has **NO CHOICE**.





Proponent Testimony for Senate Bill 360
Doug Funk, Pharmacist
AuBurn Pharmacy #140, Eudora, KS

Chair Dietrich and Members of the Committee:

My name is Doug Funk. I owned a pharmacy for 30 years in Concordia, KS and sold it in 2015. In 2023, I started working for Auburn Pharmacies as a floater pharmacist and I want to thank the committee for the opportunity to provide testimony.

When I sold my pharmacy in 2015, the number of prescriptions that I sold for less than my cost of product was significant. The number of prescriptions that are sold below cost and the cost to dispense a prescription which includes overhead has increased a great deal. Of those prescriptions that are dispensed, 30-40% of total prescriptions dispensed are for less than \$5 which is a third of the true cost to dispense.

This kind of reimbursement is not sustainable for the fiscal health of our pharmacies and if we go out of business because of PBM practices, patients in 1 pharmacy towns in addition to all other locations will suffer. AuBurn Pharmacy is the only pharmacy in 10 Kansas towns. This year AuBurn Pharmacy is not contracted with ESI and patients that have ESI as their PBM have to either pay cash or go out of town to get their prescriptions now. AuBurn Pharmacy tried to negotiate a fair rate for over a year without success.

This bill will help pharmacies which ultimately helps Kansas residents and the State of Kansas through higher income tax collections.

This bill contains critical reforms that are necessary to protect Kansas patients. It brings transparency and accountability to harmful PBM practices, lowers prescription costs for patients, and protects access to local pharmacy care. For the health and welfare of Kansas communities, we ask for your support of SB360 today.



Proponent Testimony for Senate Bill 360
Financial Institutions and Insurance Committee

Carlee Stensaas

AuBurn Pharmacy Concordia, KS

January 24, 2026

Chair Dietrich and Members of the Committee:

I am born and raised in the small town of Concordia Kansas. I knew since I was a young child that I wanted to get a degree in the medical field and be able to come home to serve my wonderful community. I have been the Pharmacist in Charge here since I graduated in 2017. In those 8-9 years so far I am saddened to see where the pharmacy world is today. Every year I have to turn away more patients due to negative reimbursement. This year (2026) has been the worst. I have had to tell patients that I can no longer run their claims AT ALL (express scripts) otherwise it is a good possibility we would have to shut our doors for good. I have told them that I am praying that 2027 we will be able to get them back as our patients/customers. Yes we do have a walmart here in town that they can go to, but being in a small town I am able to provide personal patient care to a majority of people whom I have known my entire life. I have went in on holidays, after hours etc for these people whether it was a simple antibiotic and Walmart wasn't open or if they had a loved one that was dying and needed medication to make them comfortable so they could pass pain free. The response I have had from my community over the years has been humbling to say the least for how appreciative they are for our small town pharmacy and service. We should not have to turn down any patient just because a PBM is not being fair with their prices compared to a big company like Walmart, Walgreens, and so on. PLEASE PLEASE take the time to look at this bill and think about what it means for our state. There are so many other small towns that only have the 1 pharmacy, and if they have to shut their doors due to negative reimbursements because of the PBMS what will those patients do??

This bill contains critical reforms that are necessary to protect Kansas patients. It brings transparency and accountability to harmful PBM practices, lowers prescription costs for patients, and protects access to local pharmacy care. For the health and welfare of Kansas communities, we ask that you support SB360 today.

Thank you for taking the time and reading this letter,

Carlee Stensaas



TO: Senate Financial Institutions and Insurance

FROM: Karen Braman, RPh, MS, Senior Vice President, Clinical and Strategic Initiatives, Kansas Hospital Association

Erin Boswell, Pharm D, President, Kansas Council of Health System Pharmacy

Date: January 28, 2026

RE: Proponent Testimony for Senate Bill 360

The Kansas Hospital Association, on behalf of our 124 community hospital members, and the Kansas Council of Health System Pharmacy, appreciate the opportunity to provide support for Senate Bill 360, a bill that would institute important reforms to protect Kansas patients and pharmacies from harmful pharmacy benefit manager (PBM) practices, lower prescription drug costs for Kansas patients, and protect access to local pharmacy care, especially in rural areas.

Of KHA's 124 member hospitals, 83 of those hospitals are critical access hospitals (CAHs) located in rural Kansas communities. Many CAHs do not have in-house pharmacies and pharmacy services are in many cases provided by the local community pharmacist. Like CAHs, local community pharmacies are financially strained and under threat due to low reimbursement that does not cover their costs, jeopardizing rural Kansans' access to local health care services. Fifty-four Kansas pharmacies closed in the last five years, most of these in rural Kansas.ⁱ When rural pharmacies close, patients must travel farther distances to receive needed medications and other essential health services, and the local hospital may need to make other arrangements for pharmacy services.

PBMs started out in the 1960s and 70s to help establish pharmacy networks, process claims, and set reimbursement rates for insurers that added prescription drug coverage to their plans.ⁱⁱ In recent years, however, PBM practices have become increasingly complex. PBMs, in their "middleman" role have instituted practices that over time have resulted in reimbursement that in many cases doesn't cover a pharmacy's cost. PBMs also commonly steer patients to the pharmacies it owns and under-reimburse smaller, independent pharmacies.ⁱⁱ Additionally, PBMs make money from manufacturer rebates that are not always passed on in their entirety to the contracted health plan or the insured patient. Consolidation and vertical integration have exacerbated these practices.ⁱⁱⁱ Three PBMs currently account for 80 percent of all prescriptions filled in the U.S.

Another practice that has recently become known is the use of PBM group purchasing organizations (GPOs) or "rebate aggregators."ⁱⁱⁱ In addition to rebates that pharmaceutical manufacturers pay PBMs to give their drugs

“preferred status” on a health plan’s formulary, pharmaceutical manufacturers pay additional rebates to the PBM’s GPO. Discounts, rebates, and price concessions on brand name drugs totaled \$334 billion in 2023.^{iv} These rebates and discounts are not entirely passed on to health plans or patients, contributing to increased costs to health plans and patients.^v

PBM practices contribute to increased drug costs while lowering reimbursement and in many cases, not covering pharmacies’ costs to serve their patients.ⁱⁱⁱ These PBM practices have contributed to rural pharmacy closures, reducing access to care for rural Kansans. KHA and KCHP support the reforms proposed in SB 360 to protect Kansas patients’ access to their local pharmacy and essential healthcare services.

ⁱ Kansas Board of Pharmacy and Kansas Pharmacist Association.

ⁱⁱ Kristi Martin. What pharmacy benefit managers do, and how they contribute to drug spending. Commonwealth Fund. March 17, 2025. <https://www.commonwealthfund.org/publications/explainer/2025/mar/what-pharmacy-benefit-managers-do-how-they-contribute-drug-spending>. Accessed January 25, 2026.

ⁱⁱⁱ Pharmacy Benefit Managers: The Powerful Middlemen Inflating Drug Costs and Squeezing Main Street Pharmacies. Interim Staff Report, U.S. Federal Trade Commission Office of Policy Planning. July 2024. https://www.ftc.gov/system/files/ftc_gov/pdf/pharmacy-benefit-managers-staff-report.pdf. Accessed January 25, 2026.

^{iv} PBM Power: The Gross-to-Net Bubble Reached \$334 Billion in 2023—But Will Soon Start Deflating. Drug Channels. July 16, 2024. <https://www.drugchannels.net/2024/07/pbm-power-gross-to-net-bubble-reached.html>. Accessed January 25, 2026.

^v How Health Plans Profit—and Patients Lose—From Highly Rebated Brand-Name Drugs. Drug Channels. February 20, 2019. <https://www.drugchannels.net/2019/02/how-health-plans-profitand-patients.html>. Accessed January 25, 2026.

TESTIMONY IN SUPPORT OF SENATE BILL 360

Chairperson and Members of the Committee:

I am submitting written testimony in support of Senate Bill 360 in hopes I can offer insight into the critical importance of the issues and how they impact patient care in some of the most rural areas in the State of Kansas. I am a pharmacist and own 4 pharmacies in rural Western Kansas. Three of my four pharmacies were opened in counties that previously did not have an operating pharmacy in the entire county. Prior to opening these pharmacies, patients were driving a minimum of 24 miles to obtain prescriptions and critical pharmacy services. These areas were considered pharmacy deserts. If pharmacy benefit manager (PBM) reform is not addressed by Kansas Legislators in this 2026 session these areas, along with many other rural areas in the state of Kansas, are at a significant risk of once again becoming pharmacy deserts where the underserved, sick and elderly Kansans will not have access to a pharmacist or pharmacy. You may be asking why PBM reform is necessary. Let me give you a few examples:

- **Below-cost reimbursement:** A diabetic patient fills a prescription for Jardiance to treat type two diabetes. The pharmacist fills the prescription and between the copay collected from the patient and the reimbursement from the PBM, the pharmacy has a net LOSS of \$94.00, and that is just on the product cost, not including the cost to dispense the prescription. To simplify further, the pharmacy is being forced to sell the medication for LESS than the pharmacy can purchase the medication. This is not a sustainable model for any type of business. Cumulative losses from prescriptions like these are putting local pharmacies out of business. This bill would prevent PBMs from paying pharmacies below the cost of the medication.
- A pediatric patient has an acute asthma exacerbation and needs prescriptions filled. The pharmacy receives two prescriptions. One prescription for albuterol is filled with a total profit for the pharmacy of \$1.17. One prescription for prednisolone is filled with \$1.42 profit. The PBM paid zero dollars to the pharmacy, and the very slim profit was collected from patient copays. The pharmacy is at a net loss when the cost to dispense is factored into the equation. Using the current Kansas Medicaid survey, the cost to dispense is \$15.85 per prescription. This means a net loss of \$29.11 to care for this patient. This patient can't wait for mail order and lives over 60 miles from a chain pharmacy. If independent pharmacies are forced to close due to low margins created by PBMs, who will be left to care for these sick patients? This bill would ensure local pharmacies are paid a fair dispensing fee to cover expenses.

- Patient steering and profiteering:** A patient with hepatic encephalopathy, a debilitating neurologic condition that is treatable and often preventable with proper management, is receiving Xifaxan for treatment ordered by a specialist. The pharmacy has been previously stocking and filling the prescription for the patient. This medication costs over \$2500, and the pharmacy has been making a \$25 net profit (1 percent profit). Without notice, the patient receives a letter stating they can no longer obtain the medication from my pharmacy and is being forced to switch to mail order pharmacy. The patient has been without medication for over 60 days and is now very sick. The Pharmacy loses the ability to care for the patient, and the patient loses access to local pharmacy services. The patient continues to return to the pharmacist for help because the local pharmacist is the only resource the patient can get access to or help from. The pharmacist proceeds to donate time and resources to care for the patient, even though they are no longer allowed to fill their prescriptions. Once they've forced the patient to fill at their own mail-order pharmacy, the PBM adds a huge markup and pays their own pharmacy more than they would've paid the local pharmacy, despite providing subpar care. Senate Bill 360 will prevent PBMs from paying affiliated pharmacies more than local independent ones.
- Decreased local access:** An elderly patient becomes acutely ill with urinary tract infection on a Friday late afternoon. Prescription is called in but patient is unable to drive to pick up the medication. Patient calls the pharmacist at home after hours. The pharmacist returns to the pharmacy and delivers medication to the patient's home. PBM reimbursement on the antibiotic is a net profit of 18 cents, but again that does not include a cost to dispense, nor the free delivery the pharmacy provided. Pharmacy is at a net loss because they are unable to purchase supplies (bottle, label, computer software, labor, etc) for 18 cents. The action of the pharmacist prevents this patient from ending up in the emergency room and being hospitalized. This saves insurance plan countless dollars that would have been spent on an ER visit or hospital stay.

The four examples listed above occurred in a 48-hour period in one of our rural pharmacies, and this is just scratching the surface of what a day in the life of a rural community pharmacist looks like. These examples do not touch on other burdens pharmacies face due to PBM tactics such as predatory audit practices, prior authorizations, denial of coverage, and vertical integration. I have been hesitant, due to possible PBM retaliation, to share with legislators the true picture of the nightmarish system that we now call pharmaceutical care in the State of Kansas, but the time has come. I can no longer sit quietly by and watch a dysfunctional system created by PBMs continue to take advantage of Kansas patients, employers, and health care providers. It is becoming increasingly difficult to safely deliver quality care to my patients. The system is broken.

I challenge you to determine what you believe is a fair and reasonable amount a pharmacist should be paid to provide lifesaving medication to Kansans? Do you think providing care to sick patients in need of care is worth more than 18 cents? Do you think it is fair and reasonable to ask a health care provider to work and provide health care services at a loss? Pharmacists in this state are working tirelessly to care for patients. They are highly educated and trained to be the front-line, day to day, most accessible health care provider to all patients in their community without an appointment. The work we do to care for patients is important. We are not asking for additional dollars to be charged to the patient or to increase healthcare costs. We are asking for a shift in where the profit is going. A shift toward lowering costs for patients and providing fair and reasonable reimbursement to health care providers, instead of massive profits for the Pharmacy Benefit Manager.

PBM's would like you to believe that this issue is too complicated for you to understand. Let me assure you that is not the case. In fact, it is a brilliant business model. Raise premiums on Kansas citizens, decrease coverage to these patients, grossly underpay the pharmacist providing the service to take care of the patient, and keep all profit.

Kansans need PBM reform, and they need it now. We can no longer delay; we can no longer wait for change at the federal level as it will be too late for Kansans. We need meaningful PBM reform in Kansas, and we need it now. We are asking for your help to find a solution. Please consider the importance of Senate Bill 360 in this committee hearing. It is a start to fixing a broken system that is in desperate need of change.

Sincerely,

Jena Robertson Brunswig, PharmD

Proponent Testimony for Senate Bill 360
Brian Caswell, President
Wolkar Drug, Baxter Springs, KS

Chair Dietrich and Members of the Committee:

I am Brian Caswell, pharmacy owner for 31 years in Southeast Kansas. I wish to thank the committee for the opportunity to provide testimony in favor of SB360.

I have witnessed over 31 years of pharmacy care and access here in Kansas. Pharmacy Benefit Managers, PBM's, have increasingly become more injected into the pharmacy decision making process between patient, doctor, and pharmacy. Nearly each decision by the PBM's has been centered on profit rather than patient care. I have seen patients forced into mail order, or drive 20 or more miles to another town, and even forced patients to go into another state to receive their medications. I have seen, in my professional judgement, poor decisions by the PBM's upon selection of a favored medication to a patient so that the PBM's rebates are maximized. I have witnessed preferred brand products over generics, which cost the consumer more, but was the only product covered.

Lately I have had numerous elderly patients being contacted by their PBM and coerced into transferring to a mail order pharmacy in another state. After visiting the patient, nearly all of them said they thought they didn't have a choice. A few of them literally live across the street from our pharmacy. I have made multiple complaints to Medicare, the Insurance Commissioners office, and the Kansas Board of Pharmacy. Each organization says their hands are tied and they need legislation in order to stop this overreach and intentional misrepresentation.

In a free and fair market, I have felt that our pharmacy has delivered excellent care and exceptional consumer service. When given the choice of where to receive care, our patients overwhelmingly select Wolkar Drug.....until they can't. Forced to go elsewhere or face non-coverage of their medication or a penalized copay, they feel they have no choice. In fact, many times the PBM's will not offer a contract to our pharmacy, or one that forces you to lose money on many of the covered medications. This becomes more frustrating when we find that the PBM's pay their own pharmacies much much more than what they reimburse us. It is **NOT** a free and fair market!

This bill contains critical reforms that are necessary to protect Kansas patients. It brings transparency and accountability to harmful PBM practices, lowers prescription costs for patients, and protects access to local pharmacy care. For the health and welfare of Kansas communities, we ask that your support SB360 today.

Brian Caswell, RPH



CHERRYVALE PHARMACY

Personalized Services at your Friendly Pharmacy

Proponent Testimony for Senate Bill 360
Elijah Hershey, Pharmacist-in-Charge
Cherryvale Pharmacy, Cherryvale KS

Chair Dietrich and Members of the Committee:

I am a pharmacist practicing in Cherryvale, Kansas, and I am writing to express my strong support for SB 360 and meaningful reform of Pharmacy Benefit Manager (PBM) practices.

In small communities like Cherryvale, local pharmacies are often the most accessible—and sometimes the only—source of care for patients. Unfortunately, current PBM practices, including inadequate reimbursement and lack of transparency, make it increasingly difficult for community pharmacies to continue serving our patients. These challenges do not just affect pharmacies; they directly impact patient access to medications and trusted healthcare services.

An example of that is forced mail order after filling a “maintenance” medication after 2 fills. After switching to mail order, patients have to wait for two weeks and sometimes don’t receive it on time. Sometimes the medications are refilled two months early and overloading the patient with more than they need. This is very wasteful and costly to both patients and their employers.

SB 360 is a critical step toward protecting patient choice, increasing accountability, and ensuring that pharmacies are reimbursed fairly for the care we provide. Supporting this legislation will help preserve access to pharmacy services in rural Kansas communities and allow pharmacists to focus on patient care rather than unsustainable business practices.

I urge you to support SB 360 for the benefit of Kansas patients, pharmacists, and communities like Cherryvale.

Thank you for the opportunity to provide testimony.

Elijah Hershey, PharmD

Dear Senate Committee Members,

My name is Colin Chiles and I live in Lawrence, Kansas. I am a patient at a local community pharmacy, Orchards Drug. I am writing to support PBM reform legislation and to ask you to protect our local pharmacies and those of us who rely on them.

I believe in shopping local, wherever possible. I am a very happy patient at Orchards Drug, but unfortunately that isn't the only place where I get my prescriptions. I have to make a second stop at CVS, because my copay at Orchards Drug is twice the amount I pay at CVS. I understand that this is the case because companies like CVS also own insurance, as well as Pharmacy Benefit Managers that are supposed to be an intermediary between the two. So a company that provides me insurance, is effectively forcing me to shop at their pharmacy via price fixing, while paying themselves more in reimbursement fees. How in the world is this legal?

Do we care about price fixing? Do we care about monopolistic behavior? Do we care at all about competition? How do we allow such blatant self enrichment that DIRECTLY harms us as consumers? I do care. I hope you do too. Other states have passed laws to increase transparency and it has worked. There is a reason that a company that would design this system in the first place, is fighting this bill as hard as they are. They at the very least should be forced to show their work, and if they won't do that, you know it is because they are afraid of what it will show the public.

PBM reform will help lower my drug costs, protect my local pharmacy, and keep care close to home. Please support SB360 and stand with Kansas patients and local pharmacies.

Thank you for your time and service.

Sincerely,
Colin Chiles
Lawrence, Kansas

Dear Senate Committee Members:

My name is Donna Conway and I am a long time resident of Lawrence, Kansas. I have been a patron of Orchards Drug for many years. The pharmacy has been my go-to for everything from prescriptions ordered by my doctor, to flu shots, and other immunizations as needed. Everyone on staff has always been very responsive, answers questions and always has my needs met quickly. They make up the very convenient Pill-Packs monthly so I have all my medications packaged by daily intake. No need for bottles of meds lined up on the counter. While they are a small local pharmacy, they are giant size in customers service and a tremendous asset to Lawrence at reasonable prices.

I would definitely be upset and disappointed to see Orchards closed or taken over by a big chain. Orchards Drug is irreplaceable!

Please support SB 360 and continue standing with our local pharmacies.

Thank you for your consideration.

Donna Conway

Lawrence, Kansas



Proponent Testimony for Senate Bill 360
Shawna Doane, Pharm.D. Owner
Corner Drug & Gift, Inc. Downs KS

Chair Dietrich and Members of the Committee:

Thank you for providing the opportunity for pharmacists to provide testimony about the unfair PBM practices we are currently dealing with. I am Shawna Doane, owner of a rural independent pharmacy in Downs, Kansas. I am asking you to support SB360, and help pharmacies stay open and continue to serve their communities. Often pharmacists are the most accessible health care providers, and because of declining reimbursements from PBMs and insurance companies the opportunities will continue to decrease for our patients. Just in my small area, I have seen several local pharmacies close in the last four years. PBMs are not being held accountable, they lack oversight and in turn have stolen hundreds and thousands of dollars from patients and pharmacies. This has to change before it's too late, pharmacies can not continue to provide care to patients, while being reimbursed significantly under cost. Most of the time I don't receive enough to cover the cost of the medication, that doesn't even include the extra costs to dispense. We need to keep access available to Kansas patients, and without changes patients will be in pharmacy deserts or forced to use mail order (which is owned by the PBMs and continues to be forced on patients that do not want to use it). I have spent over ten years reaching out to representatives about the negative situation pharmacies in Kansas are in, and during that time I kept thinking things couldn't get worse, but the truth is more pharmacies continue to close and patients continue to lose access. Please support Kansas patients and pharmacies by supporting SB360.

Shawna Doane Pharm.D.

Downs, KS 67437



Proponent Testimony for Senate Bill 360
Sabrina Flint, Student Pharmacist
Damm Pharmacies, Goddard, KS

Chair Dietrich and Members of the Committee:

My name is Sabrina Flint, and I am a fourth-year pharmacy student at the University of Kansas. Thank you sincerely for the opportunity to provide testimony today and for allowing me to speak in strong support of SB360.

From a young age, I knew pharmacy was the profession I was called to pursue—not only because of the science behind it, but because of the opportunity to serve patients every single day. Pharmacists are often the most accessible healthcare providers in our communities, and we take pride in providing safe, high-quality care while building trusted relationships with the people we serve.

Over the past several months, I have seen firsthand the serious obstacles that Pharmacy Benefit Managers (PBMs) are creating for independent pharmacies. I have witnessed situations where pharmacies are forced to fill prescriptions at a loss, sometimes leaving no choice but to turn patients away. I have also heard patients express frustration that they want to use their local pharmacy but are being forced to fill prescriptions elsewhere due to PBM restrictions and steering. This is not patient-centered care, and it is not a fair or functional system.

For nearly two decades, independent pharmacies have been fighting to survive under harmful PBM practices. Meanwhile, rural and community pharmacies are closing at an alarming rate. When a pharmacy closes, patients are left with fewer options, longer travel distances, and in many cases, delayed or missed medications altogether. While PBMs claim patients have the freedom to choose where they fill their prescriptions, the reality is very different—many patients are being pushed into mail-order services or limited networks that do not provide the same level of personal care, accessibility, or support.

As I prepare to enter this profession, I take seriously the responsibility and oath to serve patients to the highest standard. However, PBMs are making it increasingly difficult for pharmacists to do what is right for their patients. If we fail to act now, the future of pharmacy—and the health of our Kansas communities—will continue to suffer.

SB360 includes critical reforms needed to protect Kansas patients and preserve access to local pharmacy care. This bill increases transparency, strengthens accountability for harmful PBM practices, helps lower prescription costs for patients, and supports the survival of community pharmacies across our state. For the health and welfare of Kansas families, I respectfully ask for your support of SB360 today.

Thank you for your time and consideration.

Sabrina Flint
Fourth-year Student Pharmacist



Proponent Testimony for Senate Bill 360
Holly Plank, Pharmacist
Andover Drug, Andover, KS

Chair Dietrich and Members of the Committee:

My name is Holly Plank, and I've been a pharmacist in chain and independent pharmacy settings for 13 years. Thank you for the opportunity to provide testimony. From the disparity I've seen firsthand in practice, I strongly support SB360.

With our current model, Pharmacy Benefit Managers (PBMs) are driving up costs for both patients and employers while cutting reimbursement for pharmacies not affiliated with the PBMs, often to the point of paying under the cost of the medication. Patients are commonly forced or financially incentivized to use their PBM's mail order service, which leaves them void of the personal connection and higher level care a local pharmacy provides. Pharmacies across the state of Kansas are in survival mode, struggling to stay above water and facing impossible business decisions- cutting staff, reducing business hours, and charging patients for services that used to be free. Many have sold out to chain pharmacies or closed altogether because of financial hardships, leaving our patients without access to the care they deserve.

This bill contains critical reforms that are necessary to protect Kansas patients. It brings transparency and accountability to harmful PBM practices, lowers prescription costs for patients, and protects access to local pharmacy care. For the health and welfare of Kansas communities, we ask that you support SB360 today.

God bless,

Holly Plank



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



DammPHARMACIES

ANDOVER | DERBY | MULVANE | ROSE HILL

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.



Thank you for your consideration.

Respectfully submitted,

Dared Price

Owner, Price Pharmacies, Inc.

Chief Growth Officer and Owner, Oread Rx





Proponent Testimony for Senate Bill 360

Katherine Salas, PharmD
Damm Pharmacy, Derby, KS

Chair Dietrich and Members of the Committee:

My Name is Katherine Salas, and I am the Pharmacist in Charge at Damm Pharmacy in Derby, KS. I would like to thank the committee for the opportunity to provide this testimony and show my support for SB360.

Since I began working in the world of pharmacy in 2018, unfair PBM practices have been problematic and have only gotten worse over the years. This started as unfair reimbursement on occasion and more recently has impacted my ability to care for my patients on a day-to-day basis. In the first 24 days of this year, I have had to turn away over 30 patients that I personally have cared for at this store for the last 4 years. I have dispensed 2,812 prescriptions out of 3,705 total prescriptions at a negative reimbursement, and I have had to take personal hits to my character by being unable to be honest with patients about why I cannot fill their prescription due to gag clauses.

In the Derby area, I have worked hard during my time as a pharmacist to make my pharmacy a healthcare destination in this town. I have a family with two children with terrible asthma. Both children are on several medications including inhalers that cost a large amount of money. Every year I work with their mother to sign them up for copay cards, to line up their inhalers, to prepare medications prior to the time the kids will be out, to coordinate the best treatment options with their providers, and to form a relationship with these children and their parents. This year, with PBM reimbursement, I filled all of their prescriptions and lost over \$300 on 4 prescriptions. Unfortunately, before I can fill this in February, I will have to have a tough conversation with this mother and send her somewhere else with longer wait times, overwhelmed pharmacy employees, and someone who does not understand the needs of this mother and her children. The kicker is that I am legally not allowed to tell her the reason I must turn her away, or my contract with one of the largest PBMs in Kansas will be cancelled.

This bill contains critical reforms that are necessary to protect Kansas patients. It brings transparency and accountability to harmful PBM practices, lowers prescription costs for patients, and protects access to local pharmacy care. For the health and welfare of Kansas communities, we ask that you support SB360 today.

Dear Senate Committee Members,

I am Spencer Dugan, a newly implanted resident of Wichita. I would like to thank the committee for taking the time to listen to my story, I know I am one of millions.

The way I see Pharmacy Benefit Managers is synonymous with a tick. At some point in everyone's life they are unavoidable, they suck on their victim and fatten themselves up before you notice, ruin the ecosystem around them, and they leave their victims sicker than they were before.

I am a patient of ulcerative colitis. I would say that I am a victim, but the only time I have felt preyed on is when the health insurance I had forced me to use their PBM. I have now changed my health insurance, which has freed me from a PBM, but this did not come without cost. I had to uproot my family, move away from my hometown, restart my career, all to get away from this predatory company.

I was a victim of Optum Pharmacy out of the Kansas City Area. When I moved over to the PBM I promptly received a letter stating that my physician has recommended that I move to home health infusions, instead of the hospital. I immediately called my doctor, whom I had been with for many years to ask why she recommended this for me. She explained that she had no such communication with the pharmacy. Early on, it was pretty easy to see, this company was willing to risk my health to save a buck.

I quickly realized this is a fight I cannot win on my own so I accepted that I will have to do home infusions as the pharmacy said. However, I did not realize that with home health, came the incredible responsibility of checking my own medicine. Something I was not prepared for nor comfortable with, but I did not have a choice. Shortly after my first couple of infusions, my nurse mentioned at some point I will be requested to start my own IV and prep everything myself. Let me remind you, I am not a nurse and never plan to be. Fortunately when I questioned this with the pharmacy customer service they said that I will not be expected to start my own IV, however I will be required to double the speed of my infusion time, per my physician's request. Yet again, the pharmacy lied, speaking as my physician, telling me what to do. In between all of this stress I was assigned a "Patient Navigator" who was supposed to clear the path for me to receive my medicine and make things as easy as possible. However, every single time I called I was reassigned to a different navigator. I was reassigned so many times I could not even leave a voicemail because I knew I would just get passed off. This evil company kept me confused and in the dark so I would just give up and accept their decisions they made on MY health. At this point I decided it was best to move on and find a job with a better health insurer that does not use a PBM. This is what caused me to move to Wichita away from my friends and family that I love dearly.

I love this country and I love the freedom that we Americans have been provided. I see that freedom being snuffed out by PBMs. They do nothing for the American people, they don't even employ Americans themselves!

I hope you make the right decision to put the American people first and save their health, towns, wallets, and jobs.

Thank you for your time,

Spencer Dugan

Proponent Testimony for Senate Bill 360
Lyndsey Brouhard, PharmD
El Dorado TrueCare Pharmacy, El Dorado, KS

1/25/26

Dear Chair Dietrich and Members of the Committee,

My name is Lyndsey Brouhard. I am a lifelong Kansan and a small business owner. Long before I became a pharmacist, it was my dream to own a business, and I graduated with a Bachelor of Business Administration degree in 2004. After years in other industries, I returned to college and received my Doctor of Pharmacy degree in 2018. In 2021 I became part owner of El Dorado TrueCare Pharmacy, using both my degrees and fulfilling my dream. Unfortunately, PBMs have more control over my business than I do.

You will likely receive testimony from many pharmacists explaining to you how important this bill is, and they are correct. If passed and properly implemented, this bill would allow patients to use the pharmacy of their choosing. This bill would help preserve the remaining pharmacies in Kansas, and therefore your constituents' access to pharmacies. This bill would save employers on drug costs and prevent steering and spread pricing, as my business partner Jake Milbradt explains so well in his testimony. All of this is true and critical, and the PBMs and groups that support their interests are already trying to spread misinformation about it.

PBMs are meant to control drug costs, but over and over again it has been proven that they have only made things worse. From the study done by the FTC, to articles in the Washington Post and New York Times, to evidence given by pharmacies repeatedly for at least 15 years now, it is clear they are only leeching money off the system while providing no benefit at all. Pharmacies provide the drug and every part of the patient's care and service. Then we are frequently paid under cost by these companies that are not involved in the care process.

Because PBMs have consolidated to only a few giant companies over the years, they have been able to exploit their power and control businesses such as ours. This has led to a very anticompetitive, anti-free market situation. We are one of the highest volume pharmacies in the state of Kansas. In theory, if you run your business well, and attract and retain customers, your business growth allows you to reinvest. To hire more people, to serve more customers, to have a bottom line that sustains your longevity. PBMs have manipulated this system. Because of their participation, we are forced to fill many medications at a financial loss, often we are paid less than the cost of the drug. So, the better job we do, and the more customers we attract, could put us in a situation where we go out of business more quickly. Large chain pharmacies respond to these financial

pressures by cutting staffing to unsafe levels, leading to more medication errors (CVS, Walgreens) or going bankrupt (Rite Aid).

Pharmacies like ours are not willing to put our patients at risk with unsafe staffing levels. Those of us that haven't gone under yet are an innovative group, finding ways to offer additional goods and services to break even. But we are barely hanging on. Meanwhile the PBMs that earn their money off patient premiums, our labor, and paying their own pharmacies flourish. It is not unrealistic to assume that if nothing changes, there will only be a handful of pharmacies left in Kansas, and this will lead to outrageous wait times for medication.

In summary, SB 360 should not be seen as an attempt to regulate a business. It is a way to stop one industry from harming patients and other businesses. PBMs are driving drug costs up (the opposite of their alleged intention) and have way too much control over how pharmacies are paid and spend their time. This is bad for patients that need pharmacies nationwide and I hope Kansas will do something about it. Please feel free to reach out to me or my business partner Jake Milbradt if you would like additional information or documentation on how PBMs work and how they pay us under cost. Thank you for your time and for trying to address this issue.

Sincerely,

Lyndsey Brouhard, PharmD
El Dorado TrueCare Pharmacy
Lyndsey@eldoradotruecare.com
316-321-5330

Proponent Testimony for Senate Bill 360
Jake Milbradt, PharmD
El Dorado TrueCare Pharmacy, El Dorado, KS

Chair Dietrich and Members of the Committee:

I've been a pharmacist for 22 years, and I currently own El Dorado TrueCare Pharmacy in El Dorado, KS. Open since 1970, we are the only independent pharmacy in town, and we have been voted the best pharmacy in Butler County four years in a row. We specialize in caring for the sickest, the oldest, and the poorest. Thousands of people depend on us every week.

I would like to thank you for the opportunity to provide testimony on SB360. I have personally witnessed numerous abuses of Pharmacy Benefit Managers (PBMs) on a near-daily basis for more than two decades, and I feel I am in a unique position to offer insight into the many benefits of this bill. Not only will this bill help prevent further pharmacy closures, but it will also lower prescription drug costs and allow our state to have much needed oversight over giant companies that take advantage of Kansans on a daily basis. I cannot state strongly enough how much I support SB360.

The six largest PBMs process over 90% of prescriptions in the US, and each of these giant PBMs owns its own pharmacy. Numerous investigations have shown that PBMs reimburse their own pharmacies at much higher rates than others, creating financial incentives to steer as many people as possible to these affiliated pharmacies, often against their will. Even though Kansas has had a law (40-2,153) in place since 1994 that prevents forcing patients to use affiliated pharmacies, we encounter these acts regularly. We frequently see patients who are forced to drive to another pharmacy over 30 minutes away or who are forced to use a mail order pharmacy several states away. Even though such pharmacy steering is illegal in Kansas, PBMs realize that our state has no processes in place to hold them accountable. Not only would SB360 allow our state to hold PBMs accountable for such illegal actions, but it would also remove the financial incentive of forcing patients to use a PBM-owned pharmacy.

I'm sure giant PBMs and enormous insurance companies will attempt to convince everyone that SB360 will increase drug costs. However, I know for a fact that this bill will decrease drug costs in multiple ways. SB360 will force PBMs to pass ALL rebates on to health insurers and employers. Rebates will also be required to be factored in when calculating patient cost sharing, preventing PBMs from charging patients exorbitant copays for brand-name drugs when the net (after rebate) cost is significantly lower.

While the two methods mentioned above will undoubtedly have a large impact, I believe the most significant way this bill will lower drug costs is by preventing spread pricing, which occurs when PBM middlemen charge health plans and employers more than they have paid the pharmacy. One of the most beautiful things about SB360 is that we actually have definitive proof that a shift to a NADAC + dispensing fee payment model has huge savings. We just need to look at Medicaid programs of some other states. Several states with Medicaid managed care programs

have recently switched pharmacy reimbursement from traditional PBM payment formulas (just like we currently see with commercial PBM coverage in Kansas) to a NADAC + dispensing fee model (just like the formulas required for pharmacy payment in SB360). These switches have eliminated PBM spread pricing and saved these states enormous amounts of money. Just a couple of examples:

- Ohio Medicaid saved an estimated \$140 million in the first two years after switching to a NADAC + dispensing fee model
- Kentucky Medicaid saved an estimated \$280 million in the first two years after switching to a NADAC + dispensing fee model

Lastly, I would like to point out that the financial safeguards built into SB360 for pharmacies are anything but greedy. This bill requires that PBMs pay pharmacies at NADAC for each drug (the average price that pharmacies pay for drugs based on their invoices) plus the average operational cost per prescription of Kansas pharmacies. We are simply asking to be paid at our cost for each prescription. While it may seem hard to believe that any business would sell products below their acquisition cost, this happens every day at nearly every pharmacy in Kansas. Pharmacists are forced to make the difficult decision of selling prescriptions under cost or telling patients that we cannot provide much needed medication. Pharmacies across the country are being paid so low that closures are occurring at an alarming rate. And while struggling independent pharmacies get most of the publicity, chain pharmacies are having an equally difficult time. Rite Aid, one of the largest pharmacy chains in America, went out of business last year. Walgreens was recently sold to a private equity firm that has a reputation for purchasing struggling retailers and then driving them into bankruptcy. Other chain pharmacies are so understaffed that having a prescription filled can literally take hours.

In the current economic environment, the last thing we need are giant corporations that raise everyone's drug costs. But that's exactly who PBMs are and what they are doing to everyone in Kansas. Highly unregulated, PBMs are simultaneously underpaying pharmacies while overcharging everyone else in the entire system. From small towns to large urban areas, SB360 will help ensure that our state doesn't continue to lose much-needed pharmacies. At the same time, this bill will save money for employers, health plans, and patients.

Thank you,

Jake Milbradt, PharmD
El Dorado TrueCare Pharmacy
El Dorado, KS



Proponent Testimony for Senate Bill 360
Elle Rose, Pharmacist
Orchards Drug, Lawrence, KS

Chair Dietrich and Members of the Committee:

My name is Elle Rose and I am a pharmacist at Orchards Drug. I'm writing today to share my strong support for SB360.

As a student, I worked at Orchards Drug and watched the Pharmacists at the time create lasting relationships with their patients that allowed for them to deliver high quality personalized care. This became my guiding light of what I aspired to be. I wanted to become someone's pharmacist, not just another pharmacist. 10 years later, I am now working at Orchards Drug as a pharmacist. Many of the patients I helped care for in college are still seeking Orchards Drug for their healthcare needs. It has been a privilege to serve these patients as I understand the immense level of trust they have in our establishment.

The biggest barrier I see is the challenges forced on us by pharmacy owned PBM's. I have watched multiple patients that have chosen Orchards Drug to care for them for close to 30 years, be forced to change pharmacies because their copays were triple the amount at Orchards than a "preferred pharmacy". Those "preferred pharmacies" are established by their insurance where they are able to pay themselves more in reimbursement. Even though we are delivering the same drug, the stark difference in price takes the patient's choice out of the equation. The most egregious abuse of power that I see is under-reimbursement of prescription claims. It is not uncommon for us to process a claim and get reimbursed less than the cost of the medication, which of course doesn't cover the cost of our time or materials used to fill that prescription. As a community pharmacy, we have no other choice other than to accept a below cost reimbursement, which is unlike any other business. We can offer the same drug as a "preferred pharmacy" and lose money, for no reason other than us being independent and locally owned.

PBMs play an essential role ensuring claims are processed at time of service which allows for patients to get the prescriptions they need without delay. I'm not advocating they be eliminated but rather advocating common sense laws be put in place to protect both patients and the pharmacies that serve them. This bill contains critical reforms that are necessary to protect Kansas patients. It brings transparency and accountability to harmful PBM practices, lowers prescription costs for patients, and protects access to local pharmacy care. For the health and welfare of Kansas communities, we ask that you support SB360 today.

Thank you for your consideration,
Elle Rose, PharmD



Proponent Testimony for Senate Bill 360
Mark Steven Mayberry, Pharmacist in Charge
Four States Pharmacy, Galena KS

Chair Dietrich and Members of the Committee:

I am writing to express my strong support for SB 360 and its efforts to reform Pharmacy Benefit Manager (PBM) practices in Kansas.

PBMs play a significant role in determining prescription drug access and costs, yet their lack of transparency and accountability has contributed to higher prices for patients and increasing pressure on local pharmacies. SB 360 is an important step toward restoring fairness by promoting transparency, protecting patient access to medications, and ensuring that pharmacies are reimbursed in a manner that allows them to continue serving their communities.

Kansas patients and healthcare providers deserve a system that prioritizes care over profits. By advancing SB 360, the Legislature can help reduce unnecessary costs, strengthen independent and rural pharmacies, and improve access to affordable medications across the state.

This bill contains critical reforms that are necessary to protect Kansas patients. It brings transparency and accountability to harmful PBM practices, lowers prescription costs for patients, and protects access to local pharmacy care. For the health and welfare of Kansas communities, we ask that your support SB360 today.

Thank you for your consideration and for your continued commitment to the health and well-being of Kansans.

Respectfully,

Mark Steven Mayberry, PharmD