Proponent Testimony for Senate Bill 360

Chair Dietrich and Members of the Committee:

My name is Jeremi Whitham, I'm a pharmacist in Tribune with two pharmacies serving Tribune and Syracuse. Thank you for the opportunity to provide testimony regarding my strong support for SB360.

I've been proudly serving the rural community that I grew up in for the past twenty years. Unfortunately, throughout my career the industry has been on a steady decline as the Pharmacy Benefit Managers (PBMs) have continued to decrease reimbursements for the vital services we are providing. My fellow Kansas pharmacists and I have been voicing these concerns over the duration of my career. Ultimately, these abusive PBM actions have a negative effect on patients, pharmacies, and local employers. **Most importantly, these actions are affecting our ability to provide the quality of care that your constituents deserve.**

Below cost reimbursement rates occur in our stores on the hour. In 2024, we made a difficult decision to close our store in Sharon Springs, leaving a rural community without a local pharmacy.

I am passionate about independent rural pharmacy, which is why I chose to continue the pharmacy business that my family has been operating since 1986. Our friends and neighbors in rural western Kansas deserve to have quality pharmacy healthcare. We are vital to the survival of our rural access hospitals, long-term care facilities, assisted living facilities, schools, and economic infrastructure that keeps these communities alive.

If you choose not to support SB360, then you are turning your head away from some of the most vulnerable people in the State of Kansas. **I urge you to take a look around at what other state governments are doing to stand up to the PBMs and to take the necessary action to protect the health of their citizens.** For the health and welfare of Kansas communities, I ask that you support SB360 today.

Sincerely,

Jeremi Whitham, PharmD
Greeley County Drug, Tribune, KS
Hamilton County Drug, Syracuse, KS

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

HILLSBORO HOMETOWN PHARMACY

507 N. Ash
Hillsboro, KS 67063
(620) 947-3784

Eric Driggers, PharmD BCGP

Proponent Testimony for Senate Bill 360
Eric Driggers, PharmD
Hillsboro Hometown Pharmacy, Hillsboro KS

Chair Dietrich and Members of the Committee:

My name is Eric Driggers and I am the owner and pharmacist of Hillsboro Hometown Pharmacy. Thank you for the opportunity to provide a statement on SB360, which I strongly support.

I have lived in the Rural Kansas town of Hillsboro for my entire life and I am truly honored to be able to serve my community by owning Hillsboro Hometown Pharmacy. I have seen a lot of changes in my profession during my 22 years of practice. The currently climate of pharmacy, mainly the control PBMs have, in the biggest threat I have experienced. Being in a Rural Kansas county, the services we provide are critical and in many cases the only viable option for our customers. We are 25 miles from a Chain Pharmacy, yet our customers frequently get mailings from PBMs that use language that make it sound like that these out of town pharmacies are the only pharmacies they can use.

SB 360 would provide much needed transparency and accountability into how PBMs operate. Transparency that would show the lack of a competitive free-market. Accountability for practice that put unnecessary burdens and financial strain on Rural Businesses. As an example, why would an PBM require a pharmacy to dispense a Name Brand Medication when a cheaper Generic version of that Medication is available, saving both the Patient and entire system money? Not to mention that by dispensing this Name Brand Medication, the pharmacy is reimbursed below our cost. Who benefits from this arrangement?

Just last month, I had to choose between signing a PBM contract in which I know that I will lose money on every Brand Medication we dispense, or simply be out-network for this insurance. I went back and forth with the PBM, requesting to negotiate a reasonable reimbursement. The response was a simple NO, I could take the contract or be out of network and not be allowed to process claims. The correct business decision for this situation would have been to refuse the contracted, but I am a Pharmacist first. I want to serve my community. I signed the contract, risking my business future, but being able to provide care for my community.

I am asking for your support of SB 360. For the health of Kansas Residents, to protect patient access, and to simply bring transparency into the business model of PBMs.

Thank you for your time and consideration!
Eric Driggers, PharmD
Hillsboro Hometown Pharmacy.

January 28, 2026

Chairwoman Brenda Dietrick, Vice Chair Michael Fagg
Members of the Senate Committee on Financial Institutions and Insurance

Dear Chairwoman Dietrick, Vice Chairman Fagg and Members of the Committee:

Thank you for the opportunity to submit testimony on this important issue. My name is Alex Byrnes, and I am the Government Relations Director for Hy-Vee, covering Kansas, Missouri, and Nebraska.

Here in Kansas, Hy-Vee operates 11 grocery stores with pharmacies, serving communities that range from the Kansas City metro to Manhattan. Our pharmacies not only serve residents within those communities, but also patients from surrounding towns and rural counties who rely on accessible, reliable pharmacy care close to home. While Hy-Vee operates at scale, the issues discussed before you today are neither isolated nor theoretical. They show up every day at our pharmacy counters and directly affect the patients we serve.

PBM reform is critical to Hy-Vee because it is critical to our patients.

Across Kansas, regardless of geography or pharmacy type, we continue to see the same patterns repeated. Patients are increasingly frustrated by unpredictable out-of-pocket costs, and many abandon prescriptions they can no longer afford. Others are shocked to learn that their pharmacy was reimbursed less for a medication than it cost to acquire, let alone paid a dispensing fee.

These are not rare occurrences. They are not driven by market forces pharmacies can control, and they are not the result of a functioning free market. Instead, they reflect opaque PBM practices that distort reimbursement, patient cost-sharing, and access to care.

The consequences of these practices are already visible across Kansas. Since 2015, more than 110 pharmacies have closed statewide, including 16 in 2025 alone, leaving many communities without reliable access to a pharmacy. If trends continue, at least 11 additional pharmacies are projected to close in 2026. The impact is especially acute in rural areas, where the local pharmacy is often one of the only accessible health care provider. Today, two Kansas counties have no pharmacy at all, 41 counties are served by only one remaining pharmacy, and 67 percent of Kansas towns lack pharmacy access within a five-mile radius.

PBM practices — such as below-cost reimbursement, retroactive clawbacks, hidden fees, restrictive networks and lack of transparency — contribute directly to pharmacy instability. For the same prescription, PBMs routinely pay pharmacies one amount while billing employers

significantly more and pocketing the difference. Between 2020 and 2023, plan sponsor costs increased by approximately 30 percent, while commercial pharmacy reimbursement declined by roughly 3 percent. On average, employers are paying approximately $8 more per prescription than what pharmacies are reimbursed, representing nearly an 80 percent spread on many generic drug transactions.

These pricing distortions are particularly troubling for critical medications. For the widely used addiction treatment drug buprenorphine-naloxone, pharmacies were reimbursed an average of $18.77 below their acquisition cost, while employers were billed $100.12 above the underlying drug cost for the same prescription. These are not isolated incidents, they reflect systemic pricing practices that inflate employer costs while destabilizing pharmacies that dispense essential medications.

Similarly, plan sponsors are being charged an average of $4,465 for the drug teriflunomide through PBM-affiliated mail order pharmacies, even though that same medication can be purchased through the Mark Cuban Cost Plus Drug Company for less than $20. These examples raise serious questions about transparency, incentives, and whether PBM practices are aligned with patient and employer interests.

When pharmacies are strained, patients feel the impact first. When a community loses a pharmacy patients lose more than a place to fill prescriptions — they lose a trusted health care access point for counseling, medication management, and preventive care. At the same time, we have seen increased use of PBM-driven mail order requirements that steer patients away from their local pharmacy, even when a community pharmacy is available and willing to serve them. While mail order may be appropriate for some patients, it should not replace patient choice or come at the expense of timely, in-person care, particularly for seniors, rural residents, and patients managing complex or urgent medication needs.

Behind every prescription is a pharmacist providing care that extends well beyond dispensing a pill. Our pharmacists routinely fill prescriptions and deliver medications within an hour, communicate with prescribers and insurers to resolve coverage issues, and provide medication counseling that keeps patients on therapy and out of the hospital. When I asked our pharmacists about this work, their response was simple, *"This is just what we do. It's second nature to us."* These services are essential to patient outcomes, yet they are routinely undervalued or uncompensated under current PBM models.

The corporate structures behind PBMs may be invisible to patients, but the consequences are not. In 2025, the Federal Trade Commission found that PBMs marked up generic drugs by more than 1,000%, with some individual drugs exceeding 7,000%, while directing patients to affiliated

pharmacies and extracting billions in revenue and negatively impacting employers, patients and pharmacies. When PBM practices destabilize pharmacies across the board, patients lose options, face delays in care, and ultimately lose access to timely, affordable care close to home.

We also recognize concerns raised by employers and self-funded health plans. What is important about PBM reform is that it focuses on transparency, fair reimbursement and accountability, and does not introduce new costs into the system. Instead, it shines a light on existing pricing practices and gives plan sponsors greater visibility into where their health care dollars are actually going. Available data shows no discernible difference in premium trends between states that have enacted PBM reform and those that have not.

Rising prescription drug costs are driven by upstream pricing and PBM practices, not by pharmacies dispensing medications at or below cost. PBM reform does not increase the price of medications; it ensures pharmacies are reimbursed fairly for both the cost of the drug and the professional service of dispensing it, all while protecting patient access to care. That is why Hy-Vee supports PBM reform that prioritizes transparency, fair reimbursement and accountability, restoring balance to a system that currently lacks meaningful oversight and ensuring it works for all patients, regardless of where they live or where they fill their prescriptions.

We see the consequences of inaction every day through the patients and communities we serve.

This legislation represents an important step toward protecting patient access, strengthening pharmacy sustainability, and improving trust in the prescription drug system.

Thank you for your time and consideration.

Respectfully submitted,

Alex Byrnes
Director, Government Relations
Hy-Vee, Inc.

INDEPENDENT PHARMACY ASSOCIATION OF KANSAS

January 26, 2026

Chairwoman Dietrich and Senate Financial Institutions & Insurance Committee Members,

My name is Chellie Ortiz and I am the President of the Independent Pharmacy Association of Kansas (IPAK). IPAK represents all independent pharmacies in Kansas. Independent pharmacies provide care to their local communities in a variety of ways including dispensing medications, administering vaccinations, counseling, education and more. Pharmacists are a vital healthcare provider for patients.

IPAK is in support of SB 360 to ensure fair and honest prescription prices for patients, appropriate reimbursements for pharmacies and maintain access to care for communities.

Pharmacy benefits managers (PBMs), while originally designed to help lower drug costs, have become part of huge conglomerates, with 3 of the largest PBMs controlling over 80% of prescription claims in the United States. As a result, they are driving up the costs of prescriptions for their own profits. Patients are overcharged and pharmacies are unpaid, with PBMs being the only one that benefits.

Today, PBMs set prescription costs based on artificial numbers that the PBMs control. There is no tie to actual costs of medications. This results in patients paying a higher cost, as assigned by the PBM, pharmacies being paid a lower cost, as assigned by the PBM, and the PBM retaining the difference as their profit. In addition, the cost that pharmacies are paid is often below their actual cost of the medication, causing them to dispense most prescriptions at a loss. This makes it increasingly difficult for pharmacies to provide the care their community needs.

As an example, a pharmacy in a rural community is filling Budesonide/Formoterol inhaler (generic for Symbicort) for asthma. The pharmacy has shopped this product from 12 different sources, yet they still lose $83.75 each month when they fill it. Being the only pharmacy in the entire county, they continue to fill the medication at a lot because of their passion to take care of their community.

In the interest of lower prescription costs for Kansans and maintaining local care, we support SB 360.

Respectfully,

Chellie Ortiz
IPAK, President
info@ipakrx.org
785.213.1129

Proponent Testimony for Senate Bill 360
Dustin Hothan, PharmD
Jayhawk Pharmacy, Lawrence KS

Chair Dietrich and Members of the Committee:

My name is Dustin Hothan. I've been a practicing pharmacist in the state of Kansas since 2008, upon graduating from the University of Kansas School of Pharmacy. I'd like to thank the committee for the opportunity to provide testimony, and to convey my extremely strong support for SB360.

This bill addresses what I see as the largest obstacles in pharmacy practice today, especially in regards to small, independent pharmacy. PBM's have for too long been able to dictate reimbursement rates with little to no transparency, and have been given the power to pick and choose winners in pharmacy reimbursements. By giving member incentives to use their own pharmacies, and reimbursing their own pharmacies more for drug claims, the smaller, independent pharmacies are dropping like flies. Smaller communities across the state are losing their local, trusted independent pharmacies and pharmacists due to these practices and these patients are losing convenient access to potentially life-saving medications and immunizations. As a pharmacist, I find myself spending as much of my day watching insurance reimbursements for every single claim, as I do sharing medication guidance with patients. At the end of the day, a business cannot survive being forced to accept payments for medications at well below their cost. No other business operates with the fear of having to sell their product at less than they purchased it for, and it's a shame that PBM's have been allowed to do this for so long. It is long past due that we level the playing field for the independent pharmacy and pharmacist, and allow these smaller pharmacies to not only survive, but to thrive in our Kansas communities. The health of our neighbors is on the line, and it's time that we stand up against vertically integrated companies/PBM's who are very strategically and unfairly weeding out the competition.

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 time,

Dustin Hothan, PharmD

785-845-2732

Dear Chair Dietrich and Representative Stogsdill,

I am a resident of Prairie Village (District 21) reporting a predatory **600% pharmacy markup** (clawback) by Ambetter/Sunflower Health Plan. I paid for this plan on January 1st via the Kansas Healthcare Marketplace and was shocked to find my new "coverage" was actually a financial penalty that benefited the greedy insurance company.

As you prepare for the hearing on **SB 360** (The Kansas Consumer Prescription Protection and Accountability Act) this Wednesday, Jan. 28, at 9:30 AM in Room 546-S, I ask that my case be included in the official record as a real-world example of why PBM regulation is vital for Kansas families.

Here is the math from my January 22nd pharmacy visit for Olmesartan (a common, low-cost generic blood pressure medication):

- **Insurer's Negotiated Cost: $15.00** (Amount insurance paid the pharmacy)
- **My Charged Copay: $90.00** (What I was told to pay CVS)
- **Pharmacy Cash Price: $29.00** (What I paid out-of-pocket without insurance to avoid the clawback)
- **My Monthly Premium: $1,973.00**

I am paying nearly $2,000 a month for the 'privilege' of being charged **three times the cash price** for my life-sustaining, generic medication. This is a deceptive practice that turns a 'benefit' into a corporate surcharge. In reality, Ambetter is using these fixed copays to generate profit directly from the pockets of patients. This practice is deceptive to Kansas consumers who believe their copays are helping them afford medicine.

I request an immediate investigation into these pricing practices under the Kansas Consumer Protection Act.

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Sincerely,

Jill Jones
Prairie Village, KS 66208

Dear Senate Committee Members,

My name is Judy Juneau and I live in Lawrence, KS. My husband Ted and I are patients at a local community pharmacy, Orchards Drug. Orchards Drug has been our family pharmacy for more than 35 years. We have relied upon Orchards Drug & the trusted professionals who work there to keep our prescriptions updated, available when we need refills and answer questions we have when we need assistance with our medications. Without this help & professional customer care, we would be lost.

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

Thank you for your time & service.

Sincerely,
Judy Juneau

KIOWA COUNTY PHARMACY

112 S. Main St.
Greensburg, KS 67054
phone: 620-723-3112 fax: 620-723-3421
keeton.julie.kcp@gmail.com

Proponent Testimony for Senate Bill 360

Julie Keeton, Owner and Pharmacist

Chair Dietrich and Members of the Committee,

I am writing today to give real life examples of why SB 360 is needed, and how it will benefit Kansas patients, Kansas employers providing insurance, and Kansas pharmacies.

The first topic I'd like to cover is the audit protections in the beginning of the bill. As you know, often in healthcare it is necessary to tailor solutions to the individual, in order to best serve their needs. Under the current environment, it is very difficult to do that, due to the fear of predatory audits that come through months and years later than the time of dispense. The most glaring example I have in recent history involved one of our mental health patients. She works a full time job, and has worked extremely hard to find a way to maintain this job through the mental health services she receives in our county, which have helped her access the medications she needs in order to maintain her health and her job. One of these medications is required by manufacturer to "dispense in original container". However, she has historically not been able to remember to take her medications consistently due to the number of times per day she needs to take them, especially when she is gone from home at her job when they are needed to be taken. We began doing compliance packaging for her (for free, I might add) so that she could have all her morning, noon, evening, and bedtime doses in one handy, labeled, sealed "bubble", so she could tear off the doses she needed at work and put them in her pocket or her purse to not miss doses. We received an audit on her medication that required "dispense in original packaging", and since we had dispensed 28 instead of a full bottle of 30, the PBM audit recouped the ENTIRE claim, going back multiple months. We had support letters from the manufacturer of the drug that it still had enough stability to provide the necessary outcome, from the prescriber that she wanted it packaged, from the mental health facility that it absolutely needed to be packaged, and a letter from us explaining the circumstances. They relented and allowed us to keep half of the money, which was still hundreds of dollars we lost, in order to take care of what this patient needed in order to maintain her health needs and be able to stay employed.

A second example, we had a newly diagnosed type 1 diabetic child whose mom (mother of 6 children) struggled to juggle all of the new medications needed to keep her child out of the ICU. I'm not sure if you've ever relied on your own child to tell you when they need something, but I can confidently say

that children generally report these things about 3.5 seconds prior to when they are needed. So the child was routinely out of insulin before informing her mom of this, and then there were always extra steps like getting a new prescription from the prescriber or getting insurance approval, that left her without insulin for days at a time, and ended in more than one hospitalization (this was obviously very costly for the state of Kansas, as the child was high medical need and on KanCare). We set this patient up on automatic refill, so that we were calling mom to pick up, not child telling mom of the need. But because the insurance would only allow a 30 day supply and her unit box of insulin was a 31 day supply based on her dose, when they audited this claim they clawed back 100% of this claim, and went back multiple months as well. So we got paid $0 for months of insulin to keep this child well, because the insurance wouldn't allow us to bill for the correct day supply. With this new bill, they would only have been able to take back the "extra day" the patient got each fill, instead of the entire prescription (and with any common sense, would allow us to bill the appropriate day supply or understand that by keeping the child supplied with insulin, the plan saved money due to fewer hospitalizations).

This type of scenario happens all the time. And it harms patients (pharmacies are hesitant to dispense expensive medications in general, especially if something "off label" is needed), and it harms pharmacies in the needless dollars taken for things that are not actually fraud or errors.

The second portion of the bill I'd like to discuss is Sec 5a3 "A PBM shall not reimburse a pharmacy or pharmacist for a prescription drug or pharmacy service any amount less than the amount that the pharmacy benefits manager would reimburse itself or an affiliate for the same prescription drug or pharmacy service."

My friend Brennan had brain cancer. He was forced to specialty mail order by his insurance company's PBM, and the specialty mail order company was owned by the PBM. His first round of chemo pills cost him over $3000, which he paid due to having a high deductible health plan. He was remarking to me one day how incredibly expensive this medication is, and when he said the medication name, I thought, "He must be mistaken. That drug is so cheap." He showed me his claim information printout, which showed the insurance claim to actually total over $4000, of which he paid the $3000. This drug cost to me was $61.28. He requested for me to fill it, so I obtained a prescription and tried to bill his insurance. The PBM rejected my claim as not being allowed to dispense that particular "specialty" med due to network restrictions (which are set by the PBM). Had I been allowed to fill it, under my existing PBM contracted rate, I would have been paid $52.51 (which is under my $61.28 cost, and nowhere near $4000). Same medication, same dose, same quantity. Additionally, his specialty medication was going to arrive at his house in a minimum of 3 weeks (this is what he was told when asked if they could pay to overnight ship it so he could not miss doses). I drove it to him (1.5 hours away) the same day I received the drug (which was the next day after I ordered it). I am angry to report that my friend, who had an average 20 year life expectancy with the type of brain cancer he had, passed away after just a 1.5 year battle with his cancer, leaving behind his wife and two young boys. I say "angry to report" because I am confident that the sheer number of times his forced specialty medications were delayed by weeks on end and allowed his cancer to grow unchecked directly contributed to his death. I was able to provide that one medication more efficiently and for far less money, but some of the medications I was not allowed to even order due to their "specialty" designation. This is a system designed for PBM profit and not for patient care.

The "specialty scenario" happens frequently. Patients are sometimes able to fill the first time at my pharmacy to get started, and then forced to specialty, and often bring in their claim paperwork to me

with questions about why it is so much more expensive. An Enbrel prescription that was a $4200 claim at my pharmacy (loss of $90), suddenly a $6800 claim with PBM-owned specialty mail order. My own specialty prescription (actual cost to me $801) was reimbursed to my store at $724, with me paying the entire amount out of pocket, but $0.00 my cost if I went through the specialty mail order, which charged my insurance over $1300. I can't help but feel bad for the Kansas employers paying for the insurance, where the PBM who claims to "save the insurance company money" is funneling their money not only to themselves, but out of the state of Kansas entirely. It harms businesses, it harms insurers, it harms patients, it harms pharmacies, and it harms the entire economy of the state of Kansas.

This bill is a step on the path to protecting patients and healthcare providers, and toward financial stewardship for employers and the state of Kansas. Please vote for SB 360.

Pictured left to right: Tamera, Lucas, Lincoln, and Brennan

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.

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[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.

KOLLHOFF PHARMACY Rx & COMPOUNDING

Proponent Testimony for Senate Bill 360
Dr. Sue Kollhoff, PharmD
Kollhoff Pharmacy, Junction City, KS 66441

Chair Dietrich and Members of the Committee:

My name is Sue Kollhoff, and I have been a pharmacist for 19 years and a pharmacy owner for 12 years. I am a lifelong Kansas resident, and have spent my career in central Kansas caring for rural populations. Thank you for the opportunity to provide this testimony, which I hope will be meaningful and help you understand my support for SB360.

Community pharmacies like mine play a vital role in providing accessible healthcare services, such as prescription counseling, dispensing, and immunizations. The existence of all community pharmacies is being threatened by PBM practices that have become commonplace; for instance reimbursing below drug acquisition cost and paying independent pharmacies less than the PBM's own pharmacy. My pharmacy (and many others) have had to decline network participation due to untenable contract terms, leaving patients with fewer pharmacy options. In addition, the lack of transparency in PBM transactions increases costs for employers and consumers—spread pricing often occurs where a PBM pays a pharmacy one price, charges the employer a higher price, and keeps the difference. All the major PBMs who operate in Kansas have paid fines in the millions for such actions.

SB360 addreses many of the PBM practices that are harmful to Kansas consumers and pharmacies. It sets a reimbursement model based on drug cost plus dispensing fee, which provides transparency and prevents spread pricing. It also requires PBMs to pay their own pharmacies the same as independent pharmacies. The result will be lower prescription costs for patients and employers, and stability for community pharmacies who will be reimbursed fairly so they can continue to operate and serve the needs of Kansans. Many other states have passed similar legislation in recent years and I believe Kansans deserve these benefits as well.

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,

My name is Erika Kramer and I live in Lawrence, Kansas. I am a patient at a local community pharmacy, Orchards Drug, and I am writing to urge your support for SB 360, PBM reform legislation. It is vital that we protect our local pharmacies and the patients who rely on them.

Orchards Drug is a warm, welcoming, and knowledgeable resource for our community. The staff are quick to provide well-informed and caring assistance. For instance, they recently helped me navigate medication options for my daughter during a period when we had a lapse in insurance coverage. Despite being insured through my husband's new employer, a lag in paperwork left us without physical proof of coverage.

The pharmacist took the time to speak with me in person about all available options, even discussing medication inventory and costs at other pharmacies to ensure my daughter received timely care. My pharmacist also highlighted how difficult it is to navigate insurance companies' confusing rules, which often lack transparency regarding covered brands or lower-cost alternatives that provide the same health benefits. Had I gone to any other pharmacy, I likely would have been forced to either pay a high cost or go without the necessary medication due to this lack of clarity.

I would be devastated if Orchards Drug were to close. They provide a level of service and value to my family that simply cannot be found elsewhere. PBM reform will help lower drug costs, protect local businesses, and keep essential healthcare close to home.

Please support SB 360 and stand with Kansas patients and local pharmacies. Thank you for your time and your service to our state.

Sincerely,

Erika Kramer
Lawrence, Kansas

MAIN STREET PHARMACY

Proponent Testimony for Senate Bill 360
Lisa Gales Pharm D & Tony Gales Pharm D owners
Main Street Pharmacy, Coldwater, Kansas

Chair Dietrich and Members of the Committee:

We are the owners of the only pharmacy remaining in Comanche County. We have served our community for 25 years; in the building a pharmacy has been in since 1888. We appreciate the opportunity to provide this brief testimony and our strong support for SB360.

Pharmacies are critical to the healthcare of small rural counties. Pharmacists are often the most educated healthcare providers in our communities and definitely the most accessible to patients in need. We will not be able to serve our communities much longer without your help. Today, we are operating at a loss due to the atrocious reimbursements from Pharmacy Benefit Managers. The more rural a pharmacy is, the more they pay for medications from wholesalers, and their costs are higher than the national average. Expenses overall are higher as well, and it is nearly impossible to get qualified help. As expenses continue to increase, reimbursements from PBM's have become so low that most prescriptions are getting filled at a loss. This is unsustainable in any business. If you are the other business in town, such as the grocery store, hardware, gas stations, and restaurants, you are allowed to increase the prices you charge for your services when expenses increase. Pharmacies are not allowed to do the same thing. The PBM set the prices, often in matrix's that spell out that they will cut reimbursement yearly. Last fall I spent two months begging one company for just $0.25 more per prescription on my current $1.15 dispensing fee. They refused because they "don't have to." That company made $154 billion last year.

The sad part is that pharmacies are begging for cost. We are not begging for a profit, like all other businesses. We are begging for the cost of the medication, and the cost to dispense that medication.

We love caring for our community. Our patients love and trust us. They are always our first priority. We keep their healthcare costs down. We are an integral part of this community, and they would be lost without us. They are extremely loyal, and they know that what was once a thriving pharmacy is really struggling now to continue taking care of them. They write letters and make phone calls, and we love that they support us just like we support them. We now need your support. Please help us and give us your support for SB 360 today.

Sincerely,

Lisa Gales Pharm D

Dr's Lisa and Tony Gales

Proponent Testimony for Senate Bill 360
LYLE R DAUNER, RPH
MANKATO PROFESSIONAL PHARMACY, MANKATO, KS

Chair Dietrich and Members of the Committee:

I am Lyle Dauner, RPh, owner and operator of Mankato Professional Pharmacy in Mankato, KS. I have worked at or owned the pharmacy for 50 years. I appreciate the opportunity and thank the committee allowing me to provide testimony in support of SB360 and the need for this reform.

Pharmacy benefit managers (PBMs) have had rule over the pharmaceutical industry for too long. From setting unreasonable maxiumum allowable cost (MAC) pricing (not aligned with Federal MAC rates), making patients change their medications that they have been on for extended periods and know that they work for them**, and bait and switch** tactics by offering a formulary for patients at the time of signing the plan and then changing their formulary two to three months later. This impacts patient care and in many instances adds to the cost of healthcare, by requiring a drug that is more expensive or at the very least causing the patient to schedule another encounter with their physician. Tier switching of drugs always seems to benefit the PBM and not the patient.

Numerous times I have had patients taking a generic drug and the PBM suddenly requires a brand name drug that is more expensive. Is this for the benefit of the patient or for the PBM? Is this saving the health system money? Coverage and copayments are many times deceptive and only serve to confuse the patient and make them more apprehensive about taking and staying on their medications.

For the pharmacies, contracts are only take it or leave it and have no say in terms, pricing or reimbursement. Many times reimbursement is under the cost of dispensing making it hard for pharmacies to sustain their businesses. Many pharmacies have closed in the past due these conditions. This is especially critical in rural areas were services can be already limited for the customer which depends on that business to survive and continue to operate in an underserved area. Spread pricing, where a pharmacy is paid one price and the insurance is charged a different price also is a problem. Charging transmission fees and of undetermined and unknown DIR fees makes very hard for a business to know if the bottom line is going to be sustainable.

Transparency is definitely needed and some control over the PBM industry is needed if we are financially able to continue to serve our customers. Smoke and mirriors is no longer a practice that can be tolerated for the patient, the dispensers and/or the healthcare industry as a whole. Competing head to head with a multi-bilion industry with

a small rural pharmacy seems to be just a bit unfair. Yes, PBMs call our patients all the time wanting them to switch to their wholely owned mail order pharmacies using the demographics and medical information we are required to supply them (our own proprietary data). If this is not sleeping with the enemy, I don't know what is!

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 SB360** of today.

Professionally,

Lyle R Dauner

Lyle R Dauner RPh

Mankato Professional Pharmacy
Mankato, KS 66956

Proponent Testimony for Senate Bill 360
Financial Institutions and Insurance Committee
By Matt Wrigley Pharmacist in Charge
Paola, Kansas
January 23, 2026

Chair Dietrich and Members of the Committee:

My name is Matt Wrigley. I am the pharmacist in charge at Auburn Pharmacy in Paola, Kansas. I wanted to share the impact PBM abuse has had on this community. Paola residents only have two choices for their pharmacy due to a pharmacy closure related to insufficient PBM reimbursement. Residents have recently lost all coverage for Tricare veterans due to poor PBM practices as both pharmacies deemed it unaffordable to continue accepting reimbursement from the PBM that Tricare uses. This hard decision to not provide service to these wonderful people who served our country does not come easy for AuBurn or any other pharmacies that have made this decision. I had an elderly patient who has Tricare as a secondary insurance tell me just this week that she was choosing to stop taking one of her diabetes medications as she is unable to travel out of town and mail order has failed to deliver her medications on time in the past. This is a person whose health has directly been affected by the practice of a PBM.

Pharmacies are in desperate need of transparency and equal opportunity for patients to choose where they can pick up their medications. SB 360 provides an opportunity to bring accountability to harmful PBM practices, provide more access to the local community, and lower prescription costs for patients.

Thank you for listening to pharmacists across Kansas. I am asking for your support of SB 360 so I can continue to provide care to Paola, KS and so AuBurn can provide service to many of the other great towns of Kansas.

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

Proponent Testimony for Senate Bill 360

The Kansas Consumer Prescription Protection and Accountability Act

Holly Gripka, PharmD, Owner
The Medicine Store
Basehor, Kansas

Chair Dietrich and Members of the Committee:

Thank you for the opportunity to provide testimony in strong support of Senate Bill 360. My name is Holly Gripka, and I am the owner and practicing pharmacist of an independent community pharmacy in my hometown of Basehor, Kansas.

I chose to practice pharmacy in my community because I believe deeply in the role pharmacists play in improving patient outcomes and lowering overall healthcare costs. When patients are able to receive all of their medications from a single pharmacy—where the pharmacist knows their history, their providers, and their challenges—we prevent medication errors, identify dangerous interactions, improve adherence, and reduce avoidable emergency room visits and hospital readmissions. This is not theoretical. This is what community pharmacists do every day.

Unfortunately, pharmacy benefit managers (PBMs) have made it increasingly difficult for independent pharmacies like mine to remain viable and continue providing this level of care. PBMs routinely reimburse pharmacies below the actual cost of the medication, impose retroactive and point-of-sale fees after prescriptions are dispensed, and present contracts that are non-negotiable and fundamentally unfair. These practices do not improve patient care—they undermine it.

Even more concerning is how PBMs steer patients away from their local pharmacy and into PBM-owned or affiliated pharmacies. Patients are often told they cannot use our pharmacy at all, or they are faced with dramatically higher costs if they do. This disrupts continuity of care, fractures the pharmacist-patient relationship, and prioritizes corporate profit over what is clinically best for the patient. It has been well documented that PBMs reimburse their own pharmacies at higher rates than independent competitors for the same drugs and services, creating an uneven playing field that has nothing to do with quality or outcomes.

SB 360 addresses these issues in a thoughtful, patient-centered way. By increasing transparency, establishing fair reimbursement standards, prohibiting discriminatory payment practices, and strengthening oversight, this bill protects access to local

pharmacy care while ensuring accountability across the system. Most importantly, it keeps patients—not middlemen—at the center of prescription drug delivery.

Independent pharmacies are often the most accessible healthcare providers in their communities, especially in small towns and rural areas. We know our patients by name. We answer the phone. We solve problems in real time. When independent pharmacies disappear, patients lose more than a place to pick up prescriptions—they lose a critical layer of healthcare support.

For the health and welfare of Kansas patients and communities, I respectfully urge you to support SB 360.

Thank you for your time and consideration.

Holly Gripka, PharmD/owner

15415 Pinehurst Drive, Basehor, KS 66007 Phone 913.724.3666 Fax 913.724.3667
www.medstorebasehor.com

Chair Dietrich and Members of the Committee:

My name is Sam Melendez, and I am a pharmacy technician and former owner of Consumer's Pharmacy in Wichita, Kansas. I am writing in support of Senate Bill 360 and sharing our experience as an independent pharmacy that was ultimately forced to close due to unfair pharmacy benefit manager (PBM) reimbursement practices.

In 2022, my wife and I proudly took over ownership of Consumer's Pharmacy. This was not a new venture for us; we were deeply rooted in this pharmacy and the community it served. I worked there for 14 years, and my wife for 8 years. Becoming pharmacy owners was something we had worked toward for years, and we were excited and honored to continue serving our patients.

Consumer's Pharmacy served a wide and diverse patient population, including low-income individuals, patients with complex and chronic medical conditions, and patients requiring specialty and life-sustaining therapies, including those receiving care for immunocompromising conditions. Many of these patients relied on us not only for medications, but for counseling, continuity of care, and access to medications that are not typically stocked by every pharmacy.

Very quickly after taking ownership, we began to experience firsthand the impact of unfair PBM reimbursement practices. These included reimbursements that were consistently below our acquisition cost, and patient steering; where patients were pressured or required to fill prescriptions at PBM-owned or affiliated pharmacies rather than the pharmacy of their choice. PBM vertical integration has created an uneven and unsustainable playing field for independent pharmacies like ours.

To illustrate the severity of the issue, many prescriptions were reimbursed at amounts such as:

- **A 30-day supply of Biktarvy, which was one of our most dispensed medications, was reimbursed at $3771.85, while our cost to acquire the medication was $3873.72, which resulted in a loss of $101.87 each fill.**

For the last year of business, the pharmacy had a total gross margin of **$191,141.41**, while the average annual salary for a pharmacist in Kansas is approximately **$120,000** and **$35,360** for a pharmacy technician. Even under the most conservative and unrealistic staffing model of one pharmacist and two technicians, total annual payroll would have reached **$190,720**, leaving just **$421.41** to cover all other operating expenses. At the same time, the pharmacy averaged approximately **4,500 prescriptions per month**, a volume that cannot be safely or professionally managed under such staffing conditions, creating significant patient safety risks and failing to meet acceptable standards of pharmacy practice.

These losses were not isolated incidents; they occurred daily and across multiple payers. From a patient's perspective, everything appeared normal—their copay remained the same—but behind the scenes, the pharmacy was absorbing unsustainable losses on medications we were obligated to dispense.

Despite our best efforts to cut costs, improve efficiency, and advocate through every available channel, the financial reality became unavoidable. Ultimately, we were forced to make the heartbreaking decision to close Consumer's Pharmacy.

This decision had devastating consequences. Thousands of patients were left scrambling to find pharmacies willing and able to dispense their life-saving medications—many of which are expensive, highly regulated, or not routinely stocked by large chain pharmacies. For some patients, continuity of care was disrupted simply because access became more difficult.

Equally painful was having to tell patients—many of whom had been coming to Consumers Pharmacy for over 40 years—that they could no longer fill their prescriptions with us. We also had to inform our employees that they were losing their jobs, not because of mismanagement or lack of community support, but because of unfair PBM practices that made survival impossible.

Using data from our final year of operation, we analyzed what reimbursement would have looked like using a transparent model of **NADAC + $10.50**. Under this model, our pharmacy would have generated a gross margin of **$437,538.82.** This level of reimbursement would likely have allowed us to remain open, safely staff the pharmacy and continue serving the community we loved and worked so hard to support.

Unfortunately, our story is not unique. We are just one of many independent pharmacies across Kansas that have closed due to the same systemic issues.

If SB 360 is passed, it will provide meaningful protections for both pharmacies and patients. It will help ensure fair reimbursement, increase transparency, and allow patients to fill their prescriptions at the pharmacies they trust—not where they are forced to go due to PBM control.

I respectfully urge you to support SB 360 so that independent pharmacies can survive, communities can maintain access to care, and patients can continue receiving medications from the pharmacies that know them best.

Thank you for your time and consideration.

Sincerely,
Sam Melendez, CPhT
Former Owner, Consumers Pharmacy
Wichita, Kansas

MARLA MOONEY, PHARMD | 821 N. MAIN ST. | HOISINGTON, KS 67544
620-653-2200 | CARDINALPHARMACYKS@YAHOO.COM

26 January 2026

Proponent Testimony for SB360 Kansas consumer protection and accountability act

Dear Chairwoman Dietrich and Senate Committee on Financial Institutions & Insurance Members,

My name is Marla Mooney, and I am a pharmacist and owner of Cardinal Pharmacy, LLC located in Hoisington, KS. Thank you for the opportunity to provide this testimony. I am writing to express my strong support of Senate Bill 360, which would bring transparency and accountability to PBM (Pharmacy Benefit Manager) practices, eliminate spread pricing and retroactive fees, set a reimbursement floor based on a cost-plus dispensing model, and stop PBMs from paying their own pharmacies more than independent pharmacies.

We have a unique story in Hoisington. This community has already had to feel the effects of losing two pharmacies in town after one pharmacy was destroyed in the tornado in 2001 and the second remaining pharmacy abruptly closed with no notice after selling their records. It is sad that it takes something that extreme to realize the impact and importance of local access to healthcare. The community fought hard to bring back a pharmacy to town and we are proud to say we've been here supporting our community since July 2010. Even after 16 years, I hear regularly how thankful our patients are that we are here taking care of them.

The heart-breaking truth is, how much longer are we going to be able to keep our doors open to serve and care for our loyal patients? Over these 16 years that we have been in business we have watched and been victim to the practices of the PBMs. I still remember vividly the first prescription we lost money on. I would have never dreamt that would become a regular occurrence daily over the course of this time (sadly, I could provide you with pages and pages of "underwater" claims reimbursed below our cost to purchase them) and additionally how people are forced to use mail-order. One of the many examples would be a prescription for my own son for a specialty drug. The member benefits state, "If a Specialty Prescription Drug is obtained from a pharmacy, other than a [their preferred specialty pharmacy] specialty pharmacy, the drug will only be eligible for Out-of-Network benefits" and continues on to state the exorbitantly higher deductible and coinsurance that applies for out of network benefits. We currently spend $3,629.42 out of our pocket in order to get his prescription at the pharmacy we own so that we can ensure proper delivery of his medication. When we fill this medication it results in a $0.60 profit. Yes, $0.60 on medication that costs over $4,000.00. And at this point, I am just thankful that it's one of the few that isn't actually reimbursed below our cost, but it just shouldn't be this way.

The brutal reality is that pharmacies cannot continue to thrive when reimbursements are below, at, or barely above our cost of the medication, not to mention paying our overhead and our amazing staff that deserve proper compensation as well as being forced out of being able to even provide services if the PBM determines us as "out-of-network." The practices of PBMs are coming to light more and more and we are hoping that people are paying attention. All we are asking for is to be treated fairly and reimbursed properly for the services that we provide.

Pharmacists have consistently ranked among the top three most trusted and ethical professions in the U.S. Gallop polls since 1999. It is imperative that independent pharmacies and pharmacists are supported so that we can continue to care for our patients that we dearly love.

Warm regards,

MARLA MOONEY, PHARMD
OWNER/PHARMACIST
CARDINAL PHARMACY, LLC

Dear Senate Committee Members,

My name is Nicholas Mosher and I live in Lawrence, Kansas. I am a patient at a local community pharmacy Orchards Drug. I am writing to support SB 360, PBM reform legislation and to ask you to protect our local pharmacies and those of us who rely on them.

We love our local pharmacy. They know us by name, they batch our medications so we don't have to order them so often throughout the month. They deliver to our door and our kids love getting to know the people at our door. When we were traveling to India they made sure we had all the vaccines and had enough medications to last through the whole trip.

Insurance and PBMs make it harder to get our medications because the raise our costs, draining our HSA accounts faster than we can refill them. They hound us about using prescription delivery services which are untrustworthy, dependent on our fragile delivery system (UPS/USPS/FEDEX) and only support out-of-state businesses. We need the money to stay in the state, right?

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,
Nicholas Mosher