



House Insurance and Pensions Committee

HB 2733

An Act concerning insurance; relating to the regulation of pharmacy benefits managers; requiring licensure rather than regulation of such entities; enacting the pharmacy benefits manager licensure act.

**Whitney Damron
On behalf of the
Pharmaceutical Care Management Association
www.pcmanet.org**

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Chairman Johnson and Members of the Committee:

By way of introduction, I am Whitney Damron and I represent the Pharmaceutical Care Management Association (PCMA), which is the national association representing America's pharmacy benefit managers (PBM's). With me today is Jonathan Buxton, Director, State Affairs for the PCMA as well as representatives of members of PCMA, including Alex Sommer of Prime Therapeutics.

By way of information for the Committee, although my representation of the PCMA is relatively short, I understand the subject before you today is not new. On behalf of the PCMA and its members, we are pleased to appear here today in support of this legislation and believe it will go a long way towards addressing concerns expressed to you in past hearings by the pharmacists yet maintain the business interests of PBM's that have been expressed before committee hearings in the past.

My history with PCMA is relatively new, with 2022 being the first session I have worked with the association. When I accepted the opportunity to work with the association, I was made aware of the legislative history surrounding legislative proposals made by the Kansas Pharmacists Association and the challenges to reaching compromise. That said, the PCMA and its members indicated early on to me their commitment to working to resolve this issue and moving forward in a more collaborative relationship with Kansas pharmacists and their Association.

To that end, on January 26, representatives of the Kansas Pharmacists Association and PBM's met in Topeka in-person and via virtual technology to discuss legislative proposals made by the KPA and let the parties discuss possible areas of compromise. Although there were challenges between the parties in that meeting, both sides listened and the PBM's made a commitment to offer a substantive proposal for compromise under a two-week turnaround, which was set for February 9.

In the days before February 9, Majority Leader Hawkins invited (if I can use that term) all the parties of interest to meet on Thursday, March 10 in the statehouse and further consider a legislative resolution to the matter before us today.

Again, representatives of the KPA and PMB's met, this time along with Chairman Steven Johnson, Vice Chair Croft, and Majority Leader Hawkins. Over the next two hours, with a review of the proposal from the PBM's provided the day before this meeting, a compromise was reached by the stakeholders.

Following that meeting, both sides circulated documents to their respective organizational leaders and KPA executive director Aaron Dunkel and PBM representative Jonathan Buxton were left to work out the details.

While Mr. Dunkel provided the Committee with a thorough review of HB 2733 and the compromises made to get us here today, I would note for the Committee one specific point: At the meeting held on January 26, what the PBM's saw as the primary concern with current law for the pharmacists was a lack of a regulatory agency in which to direct concerns and complaints under the current law requiring registration of PBM's. The logical resolution to this issue was to enhance regulatory control from registration to licensure, which is done in HB 2733. Logical, perhaps, but a major change in Kansas law for both regulation and enforcement. Ultimately the PBM's agreed to licensure and the related provisions contained in HB 2733, but I do have to say it was not done without reservation.

Finally, between a review of the Revisor's version of the bill and the printing of HB 2733, there were several technical issues that the parties agreed to resolve with amendments to the bill. The PCMA is supportive of those amendments being amended into the bill.

In conclusion, the Pharmaceutical Care Management Association and its members stand before you today in support of HB 2733, as written with amendments cited herein, and are hopeful enactment of this legislation will address concerns expressed in past hearings by the Kansas Pharmacists Association with PBM's and foster a positive working relationship between pharmacists and Pharmacy Benefit Managers for years to come.

On behalf of the Pharmaceutical Care Management Association, I am happy to stand for questions and will ask Mr. Buxton or Mr. Sommer to respond to technical aspects of the bill.

Thank you for your time and consideration today.

Whitney Damron