

# **balls food stores**

## **Testimony for House Bill 2598 House Insurance Committee**

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and Amanda Applegate, Pharmacy Clinical Services Coordinator  
Balls Food Stores, Kansas City, KS  
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Chairman Vickery and Members of the Committee:

Balls Food Stores is a 97 year old Kansas-owned supermarket chain with 13 pharmacies and 18 grocery stores on the Kansas side of the Kansas City metropolitan area. Thank you for allowing us to submit testimony on behalf of our pharmacies and the patients they serve. Our pharmacies have a long history of innovation in high quality pharmacy services and in 2018 we were nationally recognized by the American Pharmacists Association Foundation's Pinnacle Award for significant contributions to the medication use process. We employ pharmacies trained to the highest levels that exist in our profession and encourage them to practice at the top of their licenses to provide the best care for our patients. Our pharmacies regularly exceed medication adherence and other clinical targets set by pharmacy benefits managers (PBMs) and national pharmacy quality improvement programs.

Despite our demonstrated clinical excellence, our pharmacies' patients are regularly sent mailers from their PBMs with confusing language informing them of potentially lower copays that the mail order pharmacies owned by their PBMs can offer. Our patients bring us these letters, sometimes with tears in their eyes, letting us know that they want to stay with us, but they need the extra money each month. In some cases, we're able to review the letter and let them know that their rates would be the same from either pharmacy. If someone does change, we often see them soon, asking us to counsel them on a medication they received in the mail, which we're then doing without any sort of compensation. We also then are asked to resolve problems such as unneeded medications that were auto-shipped or attempting to fill a mail order medication that experienced shipping delays. These extra or duplicate fills can lead to additional costs for both the patient and their health plan, but can benefit a mail order pharmacy and their associated PBM.

These charges can add up for health plans, especially if a PBM is also utilizing the common practice of spread pricing – charging health plans a higher cost for medications than the PBM pays the pharmacy and pocketing the difference. This practice has become so commonplace in the market that in 2019, CMS issued guidance to states after finding overpayments in the hundreds of millions to some Medicaid plans. Allowing payers of health plans, often our local businesses, school boards, and governments, a transparent look into payments to and cost differentials between PBM-owned pharmacies and other pharmacies should not be a concern for a PBM using the same playing field for all parties.

In order to continue to serve our insured patients at all, our pharmacies have to sign increasingly obscure contracts from the PBMs. In many cases, we are asked to enter into preferred networks with performance guarantees without knowing what performance metrics are at stake or what our reimbursement will be. In other cases, we have worked for weeks to negotiate changes to reimbursement rates, but still have to sign a contract that allows for the PBM to unilaterally change the contract with less than two weeks' notice. Our options with PBM contracts are take it or leave it – without them, we lose access to bill insurance for large swaths of our patient population, but even with “preferred network” contracts, our patients are still seeing higher copays or being pushed away from our stores in favor of mail order pharmacies owned by the PBMs.

As a business, we expect to compete in an open market, which is one of the many reasons that we put such a focus into the quality of our medication dispensing and clinical services. Allowing our patients and those that pay for health plans to have access to the data that this bill makes available will help all players to be able to make informed decisions regarding where they obtain their medications. This decision affects how much our patients pay, as well as allows them to choose pharmacies based on the level of service provided. Thank you for your time and consideration of this important legislation. I strongly encourage your support in favor of HB 2598.

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