

January 30, 2023

The Honorable Jeff Longbine, Chairperson  
Senate Committee on Financial Institutions and Insurance  
300 SW 10th Avenue, Room 546-S  
Topeka, Kansas 66612

Dear Senator Longbine:

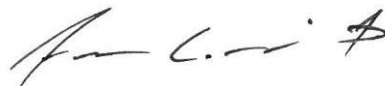
**SUBJECT:** Fiscal Note for SB 16 by Senate Committee on Financial Institutions and Insurance

In accordance with KSA 75-3715a, the following fiscal note concerning SB 16 is respectfully submitted to your committee.

Currently, the Pharmacy Benefits Manager (PBMs) Licensure Act does not apply to a pharmacy benefits manager that holds a certificate of registration as a third-party administrator (TPA). SB 16 would no longer exempt PBMs that are also a TPA.

The Kansas Insurance Department states that there are TPAs that might want to submit a PBM application if this bill were enacted. The agency estimates that three TPAs will submit a PBM application at the beginning of FY 2024 at a cost of \$2,500, which would have a renewal date of March 31, 2024, at a cost of \$2,500. Therefore, the Department would receive \$15,000 (3 X \$5,000) into its PMB Licensure Fund in FY 2024. Any fiscal effect associated with SB 16 is not reflected in *The FY 2024 Governor's Budget Report*.

Sincerely,



Adam Proffitt  
Director of the Budget

cc: Bobbi Mariani, Insurance Department  
Alexandra Blasi, Board of Pharmacy