

March 1, 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 236 by Senate Committee on Public Health and Welfare

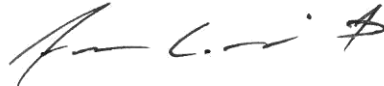
In accordance with KSA 75-3715a, the following fiscal note concerning SB 236 is respectfully submitted to your committee.

SB 236 would create the 340B Drug Pricing Discrimination Act. The bill contains multiple definitions, the requirements of what a third party can and cannot do and specifies that a third party would not include the Kansas program of medical assistance or a Managed Care Organization providing state Medicaid or Children's Health Insurance Program services.

A third party that is a Pharmacy Benefit Manager would not base drug formulary or drug coverage decisions upon 340B drug pricing status of a drug or whether a dispensing pharmacy participates in 340B pricing. The bill would not permit a pharmaceutical manufacturer to prohibit a pharmacy from contracting or participating with a covered entity by denying access to drugs; or deny or prohibit 340B drug pricing for community pharmacies that receive drugs purchased under a 340B drug pricing contract with a covered entity. The bill would require that all pharmacy claims processed by a pharmacy that participates in 340B drug pricing are final at the point of adjudication. Finally, the Commissioner of Insurance would be required to adopt rules and regulations necessary to carry out the provisions of the bill.

The Kansas Insurance Department, the Kansas Department of Health and Environment, and the Kansas Board of Pharmacy indicate that SB 236 would not have a fiscal effect on the agencies.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam Proffitt", with a stylized flourish at the end.

Adam Proffitt
Director of the Budget

cc: Alexandra Blasi, Board of Pharmacy
Bobbi Mariani, Insurance Department
Amy Penrod, Department of Health & Environment