

**Substitute for SENATE BILL No. 306**

By Committee on Health Care Strategies

3-30

10 AN ACT establishing the Kansas health policy authority; prescribing  
11 powers, duties and functions therefor; establishing a division of health  
12 policy and finance and a director of health policy and finance within  
13 the department of administration and transferring certain powers, du-  
14 ties and functions thereto; amending K.S.A. 39-7,116, 39-7,121, 65-  
15 6801, 65-6804, 65-6805, 65-6806, 65-6807 and 65-6809 and K.S.A.  
16 2004 Supp. 39-7,118, 39-7,119, 39-7,120, 39-7,121a, 39-7,121d, 39-  
17 7,121e and 65-6803 and repealing the existing sections; also amending  
18 sections 9 through 18 of this act and repealing the existing sections;  
19 also amending K.S.A. 39-7,116, as amended by section 22 of this act,  
20 and 39-7,121, as amended by section 26 of this act, and K.S.A. 2004  
21 Supp. 39-7,118, as amended by section 23 of this act, 39-7,119, as  
22 amended by section 24 of this act, 39-7,120, as amended by section 25  
23 of this act, 39-7,121a, as amended by section 27 of this act, 39-7,121d  
24 as amended by section 28 of this act, and 39-7,121e as amended by  
25 section 29 of this act, and repealing the existing sections; also repealing  
26 K.S.A. 65-6808 and sections 7 and 8 of this act.

27

28 *Be it enacted by the Legislature of the State of Kansas:*

29 New Section 1. (a) On July 1, 2005, the Kansas health policy au-  
30 thority is hereby established as a state agency within the executive branch  
31 of state government.

32 (b) The Kansas health policy authority shall be composed of seven  
33 voting members and seven nonvoting, ex officio members. The seven  
34 voting members shall be appointed as follows:

35 (1) Four members shall be appointed by the governor;

36 (2) two members shall be appointed by the speaker of the house of  
37 representatives; and

38 (3) one member shall be appointed by the president of the senate.

39 (c) The seven nonvoting, ex officio members of the Kansas health  
40 policy authority are the director of health of the department of health  
41 and environment, secretary of health and environment, secretary of social  
42 and rehabilitation services, commissioner of insurance, secretary of ad-  
43 ministration, secretary of aging, and the executive director of the authority

1 appointed pursuant to section 2, and amendments thereto.

2 (d) The appointment of each voting member of the Kansas health  
3 policy authority shall be subject to confirmation by the senate as provided  
4 in K.S.A. 75-4315b, and amendments thereto. Except as provided by  
5 K.S.A. 46-2601, and amendments thereto, no person appointed as a vot-  
6 ing member of the Kansas health policy authority shall exercise any  
7 power, duty or function as a member of the authority until confirmed by  
8 the senate. Each member shall hold office for a term of four years, except  
9 as provided in subsection ~~(d)~~ [(f)] for the first members appointed to the  
10 Kansas health policy authority, and until a successor is appointed and  
11 confirmed. Terms of voting members of the Kansas health policy au-  
12 thority shall expire on March 15.

13 (e) Voting members of the Kansas health policy authority shall be  
14 members of the general public who have knowledge and demonstrated  
15 leadership in fields including, but not limited to, health care delivery,  
16 health promotion, public health improvement, evidence-based medicine,  
17 insurance, information systems, data analysis, health care finance, eco-  
18 nomics, government, and business. A majority of the voting members of  
19 the Kansas health policy authority shall be Kansas residents. No member  
20 of the legislature shall be appointed as a voting member of the Kansas  
21 health policy authority.

22 (f) The first voting members of the Kansas health policy authority  
23 established by this section shall be appointed on or before August 1, 2005.  
24 The terms of office of such members shall be as follows: (1) The governor  
25 shall appoint one member for a term which shall expire on March 15,  
26 2007, two members for a term which shall expire on March 15, 2008, and  
27 one member for a term which shall expire on March 15, 2009; (2) the  
28 speaker of the house of representatives shall appoint one member for a  
29 term which shall expire on March 15, 2009, and one member for a term  
30 which shall expire on March 15, 2007; and (3) the president of the senate  
31 shall appoint one member for a term which shall expire on March 15,  
32 2009. In addition to such terms, each of the first members appointed shall  
33 serve until a successor is appointed and confirmed.

34 (g) The members of the Kansas health policy authority shall meet and  
35 organize annually by electing one member as chairperson, except that the  
36 governor shall designate the first chairperson of the Kansas health policy  
37 authority from among the first members appointed. The Kansas health  
38 policy authority shall meet at least monthly during the fiscal year ending  
39 June 30, 2006, and thereafter not less than once per calendar quarter.

40 (h) Members of the Kansas health policy authority attending meet-  
41 ings of the authority, or attending a subcommittee meeting thereof au-  
42 thorized by the Kansas health policy authority, shall be paid subsistence  
43 allowances, mileage and other expenses as provided in K.S.A. 75-3212,

1 and amendments thereto, for members of the legislature. Members on  
2 the Kansas health policy authority shall not receive compensation for their  
3 service on the authority.

4 (i) On July 1, 2013, the Kansas health policy authority is hereby  
5 abolished.

6 New Sec. 2. (a) The Kansas health policy authority shall appoint the  
7 executive director of the authority subject to confirmation by the senate  
8 as provided in K.S.A. 75-4315b, and amendments thereto. The Kansas  
9 health policy authority may appoint a temporary director to serve and to  
10 administer and oversee the operations of the authority until such time as  
11 an executive director can be appointed and commences employment.

12 (b) The executive director of the Kansas health policy authority shall  
13 be in the unclassified service under the Kansas civil service act and shall  
14 serve at the pleasure of the Kansas health policy authority. The executive  
15 director of the Kansas health policy authority shall receive a salary fixed  
16 by the Kansas health policy authority, subject to approval by the governor.

17 (c) The executive director shall have the authority to hire and super-  
18 vise the other personnel of the Kansas health policy authority. Except as  
19 provided in section 17, and amendments thereto, and as otherwise pro-  
20 vided by this act, all officers and employees of the Kansas health policy  
21 authority shall be in the unclassified service under the Kansas civil service  
22 act and shall serve at the pleasure of the executive director of the Kansas  
23 health policy authority.

24 New Sec. 3. (a) The Kansas health policy authority is hereby au-  
25 thorized to establish policies and to adopt rules and regulations for the  
26 implementation and administration of the powers, duties and functions  
27 prescribed for or transferred to the authority as provided by law.

28 (b) The Kansas health policy authority may enter into contracts as  
29 may be necessary to perform the powers, duties and functions of authority  
30 and as provided by law. As provided by this act or as otherwise the Kansas  
31 health policy authority may enter into contracts with other state agencies  
32 or with local governmental entities for the coordination of health care  
33 services, including care and prevention programs and activities, and pub-  
34 lic health programs.

35 (c) The Kansas health policy authority may appoint advisory com-  
36 mittees as deemed necessary by the authority. The advisory committees  
37 shall consult with and advise the Kansas health policy authority regarding  
38 the matters referred thereto by the authority. Members of any advisory  
39 committee created under this section attending meetings of such com-  
40 mittee or attending a subcommittee meeting thereof authorized by such  
41 committee shall be paid subsistence allowances, mileage and other ex-  
42 penses as provided in K.S.A. 75-3223, and amendments thereto, but shall  
43 receive no compensation for services as members of such advisory

1 committee.

2 New Sec. 4. The legislative coordinating council shall establish and  
3 appoint members of the legislature from the senate and house of repre-  
4 sentatives to serve as members of a special committee in accordance with  
5 K.S.A. 46-1205, and amendments thereto. The special committee shall  
6 have the exclusive responsibility to monitor operations and decisions of  
7 the Kansas health policy authority and the legislative coordinating council  
8 shall provide for the continuing existence of the special committee for  
9 such period as deemed appropriate by the council.

10 New Sec. 5. The Kansas health policy authority shall develop and  
11 maintain a coordinated health policy agenda that combines effective pur-  
12 chasing and administration of health care with health promotion oriented  
13 public health strategies. The powers, duties and functions of the Kansas  
14 health policy authority are intended to be exercised to improve the health  
15 of the people of Kansas by increasing the quality, efficiency and effect-  
16 iveness of health care services and public health programs.

17 New Sec. 6. (a) The Kansas health policy authority is responsible for  
18 the development of a statewide health policy agenda including health care  
19 and health promotion components. The Kansas health policy authority  
20 shall report to the legislature at the beginning of the regular session of  
21 the legislature in 2007 and at the beginning of each regular legislative  
22 session thereafter. The report of the Kansas health policy authority to the  
23 legislature shall include recommendations for implementation of the  
24 health policy agenda recommended by the authority. In accordance with  
25 the provisions of this act and the provisions of appropriation acts, the  
26 Kansas health policy authority shall assume powers, duties and functions  
27 in accordance with the provisions of this act.

28 (b) On January 1, 2006, the Kansas health policy authority shall as-  
29 sume the functions of the health care data governing board as provided  
30 by this act.

31 (c) On or before March 1, 2006, the Kansas health policy authority  
32 shall submit a plan with recommendations for funding and any recom-  
33 mended legislation for the powers, duties and functions transferred to  
34 the authority on July 1, 2006, of the programs and activities specified in  
35 subsection ~~(c)~~ [(d)].

36 (d) On July 1, 2006, the Kansas health policy authority shall assume  
37 operational and purchasing responsibility for (1) the regular medical por-  
38 tion of the state medicaid program, (2) the MediKan program, (3) the  
39 state children's health insurance program as provided in K.S.A. 38-2001  
40 et seq., and amendments thereto, (4) the working healthy portion of the  
41 ticket to work program under the federal work incentive improvement  
42 act and the medicaid infrastructure grants received for the working  
43 healthy portion of the ticket to work program, (5) the medicaid manage-

1 ment information system (MMIS), (6) the restrictive drug formulary, the  
2 drug utilization review program, including oversight of the medicaid drug  
3 utilization review board, and the electronic claims management system  
4 as provided in K.S.A. 39-7,116 through 39-7,121 and K.S.A. 2004 Supp.  
5 39-7,121a through 39-7,121e, and amendments thereto, (7) the state  
6 health care benefits program as provided in K.S.A. 75-6501 through 75-  
7 6523, and amendments thereto, and (8) the state workers compensation  
8 self-insurance fund and program as provided in K.S.A. 44-575 through  
9 44-580, and amendments thereto.

10 (e) At the beginning of the regular session of the legislature in 2007,  
11 the Kansas health policy authority shall submit to the legislature recom-  
12 mendations and an implementation plan for the transfer of additional  
13 medicaid-funded programs to the Kansas health policy authority which  
14 may include (1) mental health services, (2) home and community-based  
15 services (HCBS) waiver programs, (3) nursing facilities, (4) substance  
16 abuse prevention and treatment programs, and (5) the institutions, as  
17 defined in K.S.A. 76-12a01, and amendments thereto.

18 (f) At the beginning of the regular session of the legislature in 2008,  
19 the Kansas health policy authority shall submit to the legislature recom-  
20 mendations and an implementation plan for the Kansas health policy au-  
21 thority to assume responsibility for health care purchasing functions  
22 within additional state agencies, which may include (1) the department  
23 on aging, (2) the department of education for local education agencies,  
24 (3) the juvenile justice authority and the juvenile correctional institutions  
25 and facilities thereunder, and (4) the department of corrections and the  
26 correctional institutions and facilities thereunder.

27 New Sec. 7. On July 1, 2005, the division of health policy and finance  
28 is hereby established within the department of administration. The head  
29 of the division of health policy and finance shall be the director of health  
30 policy and finance, who shall be appointed by and serve at the pleasure  
31 of the governor. The director of health policy and finance shall be in the  
32 unclassified service under the Kansas civil service act and shall receive an  
33 annual salary fixed by the governor. Under the supervision of the gover-  
34 nor, the director of health policy and finance shall administer the division  
35 of health policy and finance and shall perform such other powers, duties  
36 and functions as may be prescribed by law.

37 New Sec. 8. (a) Subject to the provisions of appropriation acts, the  
38 director of health policy and finance shall appoint, in accordance with the  
39 provisions of the Kansas civil service act, such officers and employees as  
40 may be needed, in the judgment of the director, to carry out the powers  
41 and duties of the division of health policy and finance. All such officers  
42 and employees shall be within the unclassified service under the Kansas  
43 civil service act, unless otherwise specifically provided by law.

1 (b) The officers and employees of the division of health policy and  
2 finance shall act for and exercise the powers of the director of health  
3 policy and finance to the extent that authority to do so is delegated by  
4 the director. Subject to the limitations of this act, the director of health  
5 policy and finance may organize the division of health policy and finance  
6 in the manner the director deems most efficient.

7 New Sec. 9. (a) The director of health policy and finance shall co-  
8 ordinate health care planning, administration, and purchasing and analysis  
9 of health care data for the state of Kansas with respect to the following  
10 health care programs administered by the state of Kansas:

11 (1) Developing, implementing, and administering programs that pro-  
12 vide medical assistance, health insurance programs, or waivers granted  
13 thereunder for persons who are needy, uninsured, or both, and that are  
14 financed by federal funds or state funds, or both, including the following:

15 (A) The Kansas program of medical assistance established in accord-  
16 ance with title XIX of the federal social security act, 42 U.S.C. § 1396 et  
17 seq., and amendments thereto;

18 (B) the health benefits program for children established under K.S.A.  
19 38-2001 et seq., and amendments thereto, and developed and submitted  
20 in accordance with federal guidelines established under title XXI of the  
21 federal social security act, section 4901 of public law 105-33, 42 U.S.C. §  
22 1397aa et seq., and amendments thereto;

23 (C) any program of medical assistance for needy persons financed by  
24 state funds only, to the extent appropriations are made for such a  
25 program;

26 (D) the working healthy portion of the ticket to work program under  
27 the federal work incentive improvement act and the medicaid infrastruc-  
28 ture grants received for the working healthy portion of the ticket to work  
29 program;

30 (E) the medicaid management information system (MMIS);

31 (2) the restrictive drug formulary, the drug utilization review pro-  
32 gram, including oversight of the medicaid drug utilization review board,  
33 and the electronic claims management system as provided in K.S.A. 39-  
34 7,116 through 39-7,121 and K.S.A. 2004 Supp. 39-7,121a through 39-  
35 7,121e, and amendments thereto; and

36 (3) administering any other health care programs delegated to the  
37 director by the governor or by a contract with another state agency.

38 (b) Except to the extent required by its single state agency role as  
39 designated in section 10, and amendments thereto, the division of health  
40 policy and finance shall not be responsible for health care planning, ad-  
41 ministration, purchasing and data with respect to the following:

42 (1) The mental health reform act, K.S.A. 39-1601 et seq., and amend-  
43 ments thereto;

1       (2) the developmental disabilities reform act, K.S.A. 39-1801 et seq.,  
2 and amendments thereto;

3       (3) the mental health program of the state of Kansas as prescribed  
4 under K.S.A. 75-3304a, and amendments thereto;

5       (4) the addiction and prevention services prescribed under K.S.A. 65-  
6 4001 et seq., and amendments thereto; or

7       (5) any institution, as defined in K.S.A. 76-12a01, and amendments  
8 thereto.

9       New Sec. 10. (a) The division of health policy and finance shall be  
10 designated as the single state agency with responsibility for supervising  
11 and administering the state plan for medical assistance under the federal  
12 social security act, 42 U.S.C. § 1396 et seq., and amendments thereto.  
13 The director shall develop state plans, as provided under the federal social  
14 security act, whereby the state cooperates with the federal government  
15 in its program of assisting the states financially in furnishing medical as-  
16 sistance and services to eligible individuals.

17       (b) The director of health policy and finance shall undertake to co-  
18 operate with the federal government on any other federal program pro-  
19 viding federal financial assistance and services for medical assistance not  
20 inconsistent with this act. The director of health policy and finance is not  
21 required to develop a state plan for participation or cooperation in all  
22 federal social security act programs relating to medical assistance or other  
23 available federal programs that relate to medical assistance.

24       New Sec. 11. The director of health policy and finance shall have the  
25 power, but is not required, to develop a state plan with regard to medical  
26 assistance and services in which the federal government does not partic-  
27 ipate, within the limits of appropriations therefor.

28       New Sec. 12. (a) Subject to the limitations of subsection (b), the  
29 director of health policy and finance may enter into a contract with one  
30 or more state agencies or local governmental entities providing for the  
31 state agency or local governmental entity to perform services for the di-  
32 vision of health policy and finance or delegating to the state agency or  
33 local governmental entity the administration of certain functions, services  
34 or programs under any of the programs for which the director of health  
35 policy and finance or the division of health policy and finance is  
36 responsible.

37       (b) With respect to any plan or program that is subject to or financed  
38 in part under the federal social security act, 42 U.S.C. §1396 et seq., and  
39 amendments thereto, the authority of the director of health policy and  
40 finance or the division of health policy and finance to exercise adminis-  
41 trative discretion in the administration or supervision of the plan or pro-  
42 gram and to issue policies and to adopt rules and regulations on plan or  
43 program matters shall not be delegated by the director of health policy

1 and finance, other than to officials and employees of the division of health  
2 policy and finance. To the extent that the director of health policy and  
3 finance enters into a contract with a state agency or local governmental  
4 entity under this section, the other state agency or the local governmental  
5 entity shall not have the authority to change or disapprove any adminis-  
6 trative decision of the director of health policy and finance or the division  
7 of health policy and finance or to otherwise substitute its judgment for  
8 that of the director of health policy and finance or the division of health  
9 policy and finance with respect to the application of policies issued or  
10 rules and regulations adopted by the director of health policy and finance  
11 for any plan or program that is subject to or financed in part under the  
12 federal social security act, 42 U.S.C. §1396 et seq., and amendments  
13 thereto.

14 New Sec. 13. (a) The director of health policy and finance shall have  
15 the power and duty to establish general policies relating to the health care  
16 programs under the director as provided in section 9, and amendments  
17 thereto, and to adopt rules and regulations therefor.

18 (b) The director of health policy and finance shall advise the governor  
19 and the legislature on all health care programs, policies and plans for  
20 which the director of health policy and finance or the division of health  
21 policy and finance is responsible under this act.

22 (c) The director of health policy and finance shall establish an ade-  
23 quate system of financial records. The director of health policy and fi-  
24 nance shall make periodic reports to the governor and shall make any  
25 reports required by federal agencies.

26 (d) The director of health policy and finance may assist other de-  
27 partments, agencies and institutions of the state and federal government  
28 and of other states under interstate agreements, when so requested, by  
29 performing services in conformity with the purposes of this act.

30 (e) All contracts of the division of health policy and finance shall be  
31 made in the name of the “director of health policy and finance.” In that  
32 name, the director may sue and be sued. The grant of authority under  
33 this subsection shall not be construed to be a waiver of any rights retained  
34 by the state under the 11th amendment to the United States constitution  
35 and shall be subject to and shall not supersede the provisions of any  
36 appropriation act of this state.

37 (f) After consulting with any agency that has responsibility under a  
38 contract with the division of health policy and finance for administration  
39 of any of the programs of the division, the director of health policy and  
40 finance shall prepare annually, at the time and in the form directed by  
41 the governor, a budget covering the estimated receipts and expenditures  
42 of the division of health policy and finance for the coming fiscal year.

43 (g) The director of health policy and finance shall have authority to

1 make grants of funds for the promotion of health care programs in the  
2 state of Kansas, subject to the provisions of appropriation acts.

3 (h) The director of health policy and finance may receive grants, gifts,  
4 bequests, money, or aid of any character whatsoever, for purposes con-  
5 sistent with sections 9 through 14, and amendments thereto.

6 (i) The director of health policy and finance may enter into agree-  
7 ments with other states or the agency designated as the single state agency  
8 under the federal social security act, 42 U.S.C. § 1396 et seq., and amend-  
9 ments thereto, for another state setting out the manner for determining  
10 the state of residence in disputed cases and the bearing or sharing of costs  
11 associated with those cases.

12 (j) The director of health policy and finance shall establish such ad-  
13 visory groups as are necessary to assist the division of health policy and  
14 finance in carrying out its responsibilities under sections 9 through 14,  
15 and amendments thereto, including the following:

16 (1) A consumer advisory board consisting of representatives of con-  
17 sumers of health care services provided under title XIX of the federal  
18 social security act, 42 U.S.C. § 1396 et seq., and title XXI of the social  
19 security act, 42 U.S.C. § 1397aa et seq., and amendments thereto, and  
20 representatives of these consumers' family members; and

21 (2) a policy coordination board consisting of representatives from  
22 those state agencies with which the director enters into a contract under  
23 section 12, and amendments thereto, and representatives from any other  
24 state agencies, as determined by the director.

25 (k) The director of health policy and finance shall perform any other  
26 duties and services that are necessary to carry out the purposes of sections  
27 9 through 14, and amendments thereto, and that are not inconsistent with  
28 state law.

29 New Sec. 14. On July 1, 2005, except as otherwise provided by this  
30 act, all of the following powers, duties and functions of the department  
31 of social and rehabilitation services and the secretary of social and reha-  
32 bilitation services are hereby transferred to and imposed upon the division  
33 of health policy and finance within the department of administration and  
34 the director of health policy and finance established by section 7, and  
35 amendments thereto:

36 (a) All of the powers, duties and functions of the secretary of social  
37 and rehabilitation services under chapter 39 of the Kansas Statutes An-  
38 notated, and amendments thereto, that relate to development, imple-  
39 mentation and administration of programs that provide medical assis-  
40 tance, health insurance programs or waivers granted thereunder for  
41 persons who are needy or uninsured, or both, and that are financed by  
42 federal funds or state funds, or both, including the following:

43 (1) The Kansas program of medical assistance established in accord-

1   ance with title XIX of the federal social security act, 42 U.S.C. § 1396 et  
2   seq., and amendments thereto; and

3   (2) any program of medical assistance for needy persons financed by  
4   state funds only;

5   (b) all of the powers, duties and functions of the secretary of social  
6   and rehabilitation services with respect to the health benefits program for  
7   children established under K.S.A. 38-2001 et seq., and amendments  
8   thereto, and developed and submitted in accordance with federal guide-  
9   lines established under title XXI of the federal social security act, section  
10  4901 of public law 105-33, 42 U.S.C. § 1397aa et seq., and amendments  
11  thereto;

12  (c) the working healthy portion of the ticket to work program under  
13  the federal work incentive improvement act and the medicaid infrastruc-  
14  ture grants received for the working healthy portion of the ticket to work  
15  program;

16  (d) the medicaid management information system (MMIS);

17  (e) the restrictive drug formulary, the drug utilization review pro-  
18  gram, including oversight of the medicaid drug utilization review board,  
19  and the electronic claims management system as provided in K.S.A. 39-  
20  7,116 through 39-7,121 and K.S.A. 2004 Supp. 39-7,121a through 39-  
21  7,121e, and amendments thereto; and

22  (f) all of the powers, duties and functions of the department of social  
23  and rehabilitation services and secretary of social and rehabilitation serv-  
24  ices associated with designation of the department of social and rehabil-  
25  itation services as the single state agency under title XIX of the federal  
26  social security act, 42 U.S.C. § 1396 et seq., and amendments thereto.  
27  The designation of the department of social and rehabilitation services as  
28  the single state agency for medicaid purposes is hereby transferred to the  
29  division of health policy and finance.

30  New Sec. 15. (a) The division of health policy and finance within the  
31  department of administration and the director of health policy and finance  
32  established by this act shall be the successor in every way to the powers,  
33  duties and functions of the department of social and rehabilitation serv-  
34  ices and secretary of social and rehabilitation services in which the same  
35  were vested prior to the effective date of this act and that are transferred  
36  pursuant to section 14, and amendments thereto. Every act performed in  
37  the exercise of such transferred powers, duties and functions by or under  
38  the authority of the division of health policy and finance or the director  
39  of health policy and finance within the department of administration shall  
40  be deemed to have the same force and effect as if performed by the  
41  department of social and rehabilitation services or secretary of social and  
42  rehabilitation services in which such powers, duties and functions were  
43  vested prior to July 1, 2005.

1 (b) From July 1, 2005, through June 30, 2006, whenever the depart-  
2 ment of social and rehabilitation services or the secretary of social and  
3 rehabilitation services, or words of like effect, are referred to or desig-  
4 nated by a statute, contract, memorandum of understanding, plan, grant,  
5 waiver or other document and such reference is in regard to any of the  
6 powers, duties or functions transferred to the division of health policy  
7 and finance or the director of health policy and finance pursuant to sec-  
8 tion 14, and amendments thereto, such reference or designation shall be  
9 deemed to apply to the division of health policy and finance or the di-  
10 rector of health policy and finance, respectively. The provisions of this  
11 subsection shall not apply to references to or designations of the depart-  
12 ment of social and rehabilitation services or the secretary of social and  
13 rehabilitation services, or words of like effect, by the provisions of appro-  
14 priation acts.

15 (c) All rules and regulations, orders and directives of the secretary of  
16 social and rehabilitation services that relate to the functions transferred  
17 by section 14, and amendments thereto, and that are in effect on July 1,  
18 2005, shall continue to be effective and shall be deemed to be rules and  
19 regulations, orders and directives of the director of health policy and  
20 finance until revised, amended, revoked or nullified pursuant to law.

21 New Sec. 16. (a) The division of health policy and finance within the  
22 department of administration shall succeed to all property, property  
23 rights, and records that were used for or pertain to the performance of  
24 powers, duties and functions transferred to the division pursuant to sec-  
25 tion 14, and amendments thereto. Any conflict as to the proper disposition  
26 of property, personnel or records arising under this act shall be deter-  
27 mined by the governor, whose decision shall be final.

28 (b) The provisions of this section shall not apply to the balances of  
29 any funds or accounts thereof appropriated or reappropriated for the  
30 department of social and rehabilitation services relating to the powers,  
31 duties and functions transferred by section 14, and amendments thereto.  
32 All such balances of any funds or accounts thereof shall be transferred by  
33 and be subject to the provisions of appropriation acts.

34 New Sec. 17. (a) (1) All officers and employees of the department of  
35 social and rehabilitation services who, immediately prior to the effective  
36 date of this act, are engaged in the exercise and performance of the pow-  
37 ers, duties and functions transferred to the division of health policy and  
38 finance or the director of health policy and finance by section 14, and  
39 amendments thereto, are transferred to the department of administration  
40 on July 1, 2005, or on a later date or dates determined by the secretary  
41 of social and rehabilitation services and the secretary of administration.

42 (2) All officers and employees of the department of social and reha-  
43 bilitation services who are determined by the secretary of social and re-

1 habilitation services and the secretary of administration to be engaged in  
2 providing administrative, technical or other support services that are es-  
3 sential to the exercise and performance of the powers, duties and func-  
4 tions transferred by section 14, and amendments thereto, are transferred  
5 to the department of administration on July 1, 2005, or on a later date or  
6 dates determined by the secretary of social and rehabilitation services and  
7 the secretary of administration.

8 (3) All classified employees transferred under this subsection (a) shall  
9 retain their status as classified employees. Thereafter, except as otherwise  
10 provided by this act, the secretary of administration may convert vacant  
11 classified positions to positions that are not classified as otherwise pro-  
12 vided by law. The positions of all officers and employees of the depart-  
13 ment of administration performing duties and functions under the Kansas  
14 program of medical assistance established in accordance with title XIX of  
15 the federal social security act, 42 U.S.C. § 1396 et seq., and amendments  
16 thereto, that are required under applicable federal law, rules and regu-  
17 lations, and policies to be under a merit-based personnel system, shall be  
18 in the classified service under the Kansas civil service act.

19 (b) Officers and employees of the department of social and rehabil-  
20 itation services transferred by this act shall retain all retirement benefits  
21 and leave balances and rights that had accrued or vested prior to the date  
22 of transfer. The service of each such officer and employee so transferred  
23 shall be deemed to have been continuous. Any subsequent transfers, lay-  
24 offs or abolition of classified service positions under the Kansas civil serv-  
25 ice act shall be made in accordance with the civil service laws and any  
26 rules and regulations adopted thereunder. Nothing in this act shall affect  
27 the classified status of any transferred person employed by the depart-  
28 ment of social and rehabilitation services prior to the date of transfer.

29 New Sec. 18. Liability for accrued compensation or salaries of each  
30 officer and employee who is transferred to the department of adminis-  
31 tration under section 17, and amendments thereto, shall be assumed and  
32 paid by the department of administration on July 1, 2005, or on the date  
33 of the transfer, whichever is later.

34 New Sec. 19. (a) On January 1, 2006, except as otherwise provided  
35 by this act, all of the powers, duties and functions of the health care data  
36 governing board, department of health and environment and the secre-  
37 tary of health and environment that relate to the health care data system  
38 under K.S.A. 65-6801, 65-6802, 65-6804, 65-6805, 65-6806, 65-6807 and  
39 65-6809 and K.S.A. 2004 Supp. 65-6803, and amendments thereto, are  
40 hereby transferred to and imposed upon the Kansas health policy au-  
41 thority established by section 1, and amendments thereto.

42 (b) The Kansas health policy authority shall be the successor in every  
43 way to such powers, duties and functions of the health care data governing

1 board, department of health and environment and the secretary of health  
2 and environment in which the same were vested prior to January 1, 2006,  
3 and that are transferred pursuant to this section. Every act performed in  
4 the exercise of such transferred powers, duties and functions by or under  
5 the authority of the Kansas health policy authority shall be deemed to  
6 have the same force and effect as if performed by the health care data  
7 governing board, department of health and environment and the secre-  
8 tary of health and environment in which such powers, duties and func-  
9 tions were vested prior to January 1, 2006.

10 (c) On or after January 1, 2006, whenever the health care data gov-  
11 erning board, department of health and environment or the secretary of  
12 health and environment or words of like effect, are referred to or desig-  
13 nated by a statute, contract, memorandum of understanding, plan, grant,  
14 waiver or other document and such reference is in regard to any of the  
15 powers, duties or functions transferred to the Kansas health policy au-  
16 thority pursuant to this section, such reference or designation shall be  
17 deemed to apply to the Kansas health policy authority. The provisions of  
18 this subsection shall not apply to references to or designations of the  
19 health care data governing board, department of health and environment,  
20 or the secretary of health and environment, or words of like effect, by the  
21 provisions of appropriation acts.

22 (d) All rules and regulations, orders and directives of the health care  
23 data governing board or the secretary of health and environment that  
24 relate to the functions transferred by this section, and that are in effect  
25 on January 1, 2006, shall continue to be effective and shall be deemed to  
26 be rules and regulations, orders and directives of the Kansas health policy  
27 authority until revised, amended, revoked or nullified pursuant to law.

28 (e) The Kansas health policy authority shall succeed to all property,  
29 property rights and records that were used for or pertain to the perform-  
30 ance of powers, duties and functions transferred to the Kansas health  
31 policy authority pursuant to this section. Any conflict as to the proper  
32 disposition of property, personnel or records arising under this section  
33 shall be determined by the governor, whose decision shall be final. The  
34 provisions of this subsection shall not apply to the balances of any funds  
35 or accounts thereof appropriated or reappropriated for the department  
36 of health and environment relating to the powers, duties and functions  
37 transferred by this section. All such balances of any funds or accounts  
38 thereof shall be transferred by and be subject to the provisions of appro-  
39 priation acts.

40 (f) (1) All officers and employees of the department of health and  
41 environment who, immediately prior to January 1, 2006, are engaged in  
42 the exercise and performance of the powers, duties and functions trans-  
43 ferred to the Kansas health policy authority pursuant to this section, are

1 transferred to the Kansas health policy authority on January 1, 2006, or  
2 on a later date or dates determined by the secretary of health and envi-  
3 ronment and the Kansas health policy authority.

4 (2) All officers and employees of the department of health and envi-  
5 ronment who are determined by the secretary of health and environ-  
6 ment and the Kansas health policy authority to be engaged in providing  
7 administrative, technical or other support services that are essential to  
8 the exercise and performance of the powers, duties and functions trans-  
9 ferred by this section are transferred to the Kansas health policy authority  
10 on January 1, 2006, or on a later date or dates determined by the secretary  
11 of health and environment and the Kansas health policy authority.

12 (3) All classified employees transferred under this subsection (f) shall  
13 retain their status as classified employees. Thereafter, the Kansas health  
14 policy authority may convert vacant classified positions to positions that  
15 are not classified as otherwise provided by law.

16 (g) Officers and employees of the department of health and environ-  
17 ment transferred pursuant to this section shall retain all retirement ben-  
18 efits and leave balances and rights that had accrued or vested prior to the  
19 date of transfer. The service of each such officer and employee so trans-  
20 ferred shall be deemed to have been continuous. Any subsequent trans-  
21 fers, layoffs or abolition of classified service positions under the Kansas  
22 civil service act shall be made in accordance with the civil service laws  
23 and any rules and regulations adopted thereunder. Nothing in this act  
24 shall affect the classified status of any transferred person employed by  
25 the department of health and environment prior to the date of transfer.

26 (h) Liability for accrued compensation or salaries of each officer and  
27 employee who is transferred to the Kansas health policy authority under  
28 this section shall be assumed and paid by the Kansas health policy au-  
29 thority on January 1, 2006, or on the date of the transfer, whichever is  
30 later.

31 New Sec. 20. (a) When any conflict arises as to the disposition of any  
32 property, power, duty or function as a result of any abolition or transfer  
33 made by or under the authority of this act, such conflict shall be resolved  
34 by the governor, whose decision shall be final.

35 (b) The provisions of this section shall not apply to the balances of  
36 any funds or accounts thereof appropriated or reappropriated, or the  
37 unexpended balance of any appropriation, for the department of social  
38 and rehabilitation services or for the department of health and environ-  
39 ment relating to the powers, duties and functions transferred by or under  
40 authority of this act. All such balances of any funds or accounts thereof,  
41 or the unexpended balance of any appropriation, shall be transferred by  
42 and be subject to the provisions of appropriation acts.

43 New Sec. 21. (a) No suit, action, or other proceeding, judicial or

1 administrative, that is lawfully commenced or that could have been law-  
2 fully commenced, by or against any state agency or program mentioned  
3 in this act, or by or against any officer of the state in such officer's official  
4 capacity or in relation to the discharge of such officer's official duties,  
5 shall abate by reason of the governmental reorganization effected under  
6 the provisions of this act. The court may allow any such suit, action or  
7 other proceeding to be maintained by or against the successor of any such  
8 state agency or any officer affected.

9 (b) No criminal action that is commenced or that could have been  
10 commenced by the state shall abate by the taking effect of this act.

11 Sec. 22. On July 1, 2005, K.S.A. 39-7,116 is hereby amended to read  
12 as follows: 39-7,116. As used in this act:

13 (a) "Restrictive drug formulary" means a list of prescription-only  
14 drugs established by the department which excludes in whole or in part  
15 reimbursement by the department for such drugs under a program ad-  
16 ministered by the department.

17 (b) The words and phrases used in this section shall have the same  
18 meanings as are ascribed to such words and phrases under K.S.A. 65-  
19 1626 and amendments thereto.

20 (c) "Physician" means a person licensed to practice medicine and  
21 surgery.

22 (d) ~~"Department" means the department of social and rehabilitation~~  
23 ~~services~~ "Director" means the director of health policy and finance of the  
24 division of health policy and finance established by section 7, and amend-  
25 ments thereto.

26 Sec. 23. On July 1, 2005, K.S.A. 2004 Supp. 39-7,118 is hereby  
27 amended to read as follows: 39-7,118. The ~~secretary of social and reha-~~  
28 ~~bilitation services~~ director of health policy and finance shall implement a  
29 drug utilization review program with the assistance of a medicaid drug  
30 utilization review board as provided in K.S.A. 39-7,119 and amendments  
31 thereto to assure the appropriate utilization of drugs by patients receiving  
32 medical assistance under the medicaid program. The drug utilization re-  
33 view program shall include:

34 (a) Monitoring of prescription information including overutilization  
35 and underutilization of prescription-only drugs;

36 (b) making periodic reports of findings and recommendations to the  
37 ~~secretary of social and rehabilitation services~~ director of health policy and  
38 finance and the United States department of health and human services  
39 regarding the activities of the board, drug utilization review programs,  
40 summary of interventions, assessments of education interventions and  
41 drug utilization review cost estimates;

42 (c) providing for prospective and retrospective drug utilization re-  
43 view, as specified in the federal omnibus budget reconciliation act of 1990

1 (public law 101-508);

2 (d) monitoring provider and recipient compliance with program  
3 objectives;

4 (e) providing educational information on state program objectives,  
5 directly or by contract, to private and public sector health care providers  
6 to improve prescribing and dispensing practices;

7 (f) reviewing the increasing costs of purchasing prescription drugs  
8 and making recommendations on cost containment;

9 (g) reviewing profiles of medicaid beneficiaries who have multiple  
10 prescriptions above a level specified by the board; and

11 (h) recommending any modifications or changes to the medicaid pre-  
12 scription drug program.

13 Sec. 24. On July 1, 2005, K.S.A. 2004 Supp. 39-7,119 is hereby  
14 amended to read as follows: 39-7,119. (a) There is hereby created the  
15 medicaid drug utilization review board which shall be responsible for the  
16 implementation of retrospective and prospective drug utilization pro-  
17 grams under the Kansas medicaid program.

18 (b) Except as provided in subsection (i), the board shall consist of at  
19 least seven members appointed as follows:

20 (1) Two licensed physicians actively engaged in the practice of med-  
21 icine, nominated by the Kansas medical society and appointed by the  
22 ~~secretary of social and rehabilitation services~~ *director of health policy and*  
23 *finance* from a list of four nominees;

24 (2) one licensed physician actively engaged in the practice of osteo-  
25 pathic medicine, nominated by the Kansas association of osteopathic  
26 medicine and appointed by the ~~secretary of social and rehabilitation ser-~~  
27 ~~ices~~ *director of health policy and finance* from a list of four nominees;

28 (3) two licensed pharmacists actively engaged in the practice of phar-  
29 macy, nominated by the Kansas pharmacy association and appointed by  
30 the ~~secretary of social and rehabilitation services~~ *director of health policy*  
31 *and finance* from a list of four nominees;

32 (4) one person licensed as a pharmacist and actively engaged in ac-  
33 ademic pharmacy, appointed by the ~~secretary of social and rehabilitation~~  
34 ~~services~~ *director of health policy and finance* from a list of four nominees  
35 provided by the university of Kansas;

36 (5) one licensed professional nurse actively engaged in long-term care  
37 nursing, nominated by the Kansas state nurses association and appointed  
38 by the ~~secretary of social and rehabilitation services~~ *director of health*  
39 *policy and finance* from a list of four nominees.

40 (c) The ~~secretary of social and rehabilitation services~~ *director of*  
41 *health policy and finance* may add two additional members so long as no  
42 class of professional representatives exceeds 51% of the membership.

43 (d) The physician and pharmacist members shall have expertise in

1 the clinically appropriate prescribing and dispensing of outpatient drugs.

2 (e) The appointments to the board shall be for terms of three years.

3 In making the appointments, the ~~secretary of social and rehabilitation~~  
4 ~~services~~ *director of health policy and finance* shall provide for geographic  
5 balance in the representation on the board to the extent possible. Subject  
6 to the provisions of subsection (i), members may be reappointed.

7 (f) The board shall elect a chairperson from among board members  
8 who shall serve a one-year term. The chairperson may serve consecutive  
9 terms.

10 (g) The board, in accordance with K.S.A. 75-4319 and amendments  
11 thereto, may recess for a closed or executive meeting when it is consid-  
12 ering matters relating to identifiable patients or providers.

13 (h) All actions of the medicaid drug utilization review board shall be  
14 upon the affirmative vote of five members of the board and the vote of  
15 each member present when action was taken shall be recorded by roll  
16 call vote.

17 (i) Upon the expiration of the term of office of any member of the  
18 medicaid drug utilization review board on or after the effective date of  
19 this act and in any case of a vacancy existing in the membership position  
20 of any member of the medicaid drug utilization review board on or after  
21 the effective date of this act, a successor shall be appointed by the ~~see-~~  
22 ~~cretary of social and rehabilitation services~~ *director of health policy and*  
23 *finance* so that as the terms of members expire, or vacancies occur, mem-  
24 bers are appointed and the composition of the board is changed in ac-  
25 cordance with the following and such appointment shall be made by the  
26 ~~secretary~~ *director of health policy and finance* in the following order of  
27 priority:

28 (1) One member shall be a licensed pharmacist who is actively per-  
29 forming or who has experience performing medicaid pharmacy services  
30 for a hospital and who is nominated by the Kansas hospital association  
31 and appointed by the ~~secretary~~ *director of health policy and finance* from  
32 a list of two or more nominees;

33 (2) one member shall be a licensed pharmacist who is actively per-  
34 forming or who has experience performing medicaid pharmacy services  
35 for a licensed adult care home and who is nominated by the state board  
36 of pharmacy and appointed by the ~~secretary~~ *director of health policy and*  
37 *finance* from a list of two or more nominees;

38 (3) one member shall be a licensed physician who is actively engaged  
39 in the general practice of allopathic medicine and who has practice ex-  
40 perience with the state medicaid plan and who is nominated by the Kansas  
41 medical society and appointed by the ~~secretary~~ *director of health policy*  
42 *and finance* from a list of two or more nominees;

43 (4) one member shall be a licensed physician who is actively engaged

1 in mental health practice providing care and treatment to persons with  
2 mental illness, who has practice experience with the state medicaid plan  
3 and who is nominated by the Kansas psychiatric society and appointed by  
4 the ~~secretary~~ *director of health policy and finance* from a list of two or  
5 more nominees;

6 (5) one member shall be a licensed physician who is the medical  
7 director of a nursing facility, who has practice experience with the state  
8 medicaid plan and who is nominated by the Kansas medical society and  
9 appointed by the ~~secretary~~ *director of health policy and finance* from a  
10 list of two or more nominees;

11 (6) one member shall be a licensed physician who is actively engaged  
12 in the general practice of osteopathic medicine, who has practice expe-  
13 rience with the state medicaid plan and who is nominated by the Kansas  
14 association of osteopathic medicine and who is appointed by the ~~secretary~~  
15 *director of health policy and finance* from a list of two or more nominees;

16 (7) one member shall be a licensed pharmacist who is actively en-  
17 gaged in retail pharmacy, who has practice experience with the state med-  
18 icaid plan and who is nominated by the state board of pharmacy and  
19 appointed by the ~~secretary~~ *director of health policy and finance* from a  
20 list of two or more nominees;

21 (8) one member shall be a licensed pharmacist who is actively en-  
22 gaged in or who has experience in research pharmacy and who is nomi-  
23 nated jointly by the Kansas task force for the pharmaceutical research  
24 and manufacturers association and the university of Kansas and appointed  
25 by the ~~secretary~~ *director of health policy and finance* from a list of two  
26 or more jointly nominated persons; and

27 (9) one member shall be a licensed advanced registered nurse prac-  
28 titioner or physician assistant actively engaged in the practice of providing  
29 the health care and treatment services such person is licensed to perform,  
30 who has practice experience with the state medicaid plan and who is  
31 nominated jointly by the Kansas state nurses' association and the Kansas  
32 academy of physician assistants and appointed by the ~~secretary~~ *director*  
33 *of health policy and finance* from a list of two or more jointly nominated  
34 persons.

35 Sec. 25. On July 1, 2005, K.S.A. 2004 Supp. 39-7,120 is hereby  
36 amended to read as follows: 39-7,120. (a) The ~~secretary of social and~~  
37 ~~rehabilitation services~~ *director of health policy and finance* shall not re-  
38 strict patient access to prescription-only drugs pursuant to a program of  
39 prior authorization or a restrictive formulary except by rules and regula-  
40 tions adopted in accordance with K.S.A. 77-415 *et seq.*, and amendments  
41 thereto. Prior to the promulgation of any such rules and regulations, the  
42 ~~secretary of social and rehabilitation services~~ *director of health policy and*  
43 *finance* shall submit such proposed rules and regulations to the medicaid

1 drug utilization review board for written comment. The ~~secretary of social~~  
2 ~~and rehabilitation services~~ *director health policy and finance* may not  
3 implement permanent prior authorization until 30 days after receipt of  
4 comments by the drug utilization review board.

5 (b) When considering recommendations from the medicaid drug util-  
6 ization review board regarding the prior authorization of a drug, the ~~see-~~  
7 ~~retary of social and rehabilitation services~~ *director of health policy and*  
8 *finance* shall consider the net economic impact of such prior authoriza-  
9 tion, including, but not limited to, the costs of specific drugs, rebates or  
10 discounts pursuant to 42 U.S.C. 1396r-8, dispensing costs, dosing require-  
11 ments and utilization of other drugs or other medicaid health care services  
12 which may be related to the prior authorization of such drug.

13 Sec. 26. On July 1, 2005, K.S.A. 39-7,121 is hereby amended to read  
14 as follows: 39-7,121. (a) ~~On or before July 1, 1996, the department of~~  
15 ~~social and rehabilitation services~~ *The director of health policy and finance*  
16 shall establish and implement an electronic pharmacy claims management  
17 system in order to provide for the on-line adjudication of claims and for  
18 electronic prospective drug utilization review.

19 (b) The system shall provide for electronic point-of-sale review of  
20 drug therapy using predetermined standards to screen for potential drug  
21 therapy problems including incorrect drug dosage, adverse drug-drug in-  
22 teractions, drug-disease contraindications, therapeutic duplication, incor-  
23 rect duration of drug treatment, drug-allergy interactions and clinical  
24 abuse or misuse.

25 (c) The ~~department~~ *director of health policy and finance* shall not  
26 utilize this system, or any other system or program to require that a re-  
27 cipient has utilized or failed with a drug usage or drug therapy prior to  
28 allowing the recipient to receive the product or therapy recommended  
29 by the recipient's physician.

30 Sec. 27. On July 1, 2005, K.S.A. 2004 Supp. 39-7,121a is hereby  
31 amended to read as follows: 39-7,121a. (a) The ~~secretary of social and~~  
32 ~~rehabilitation services~~ *director of health policy and finance* may establish  
33 an advisory committee pursuant to K.S.A. 75-5313, and amendments  
34 thereto, to advise the ~~secretary~~ *director of health policy and finance* in  
35 the development of a preferred formulary listing of covered drugs by the  
36 state medicaid program.

37 (b) The ~~secretary of social and rehabilitation services~~ *director of*  
38 *health policy and finance* shall evaluate drugs and drug classes for inclu-  
39 sion in the state medicaid preferred drug formulary based on safety, ef-  
40 fectiveness and clinical outcomes of such treatments. In addition, the  
41 ~~secretary~~ *director of health policy and finance* shall evaluate drugs and  
42 drug classes to determine whether inclusion of such drugs or drug classes  
43 in a starter dose program would be clinically efficacious and cost effective.

1 If the factors of safety, effectiveness and clinical outcomes among drugs  
2 being considered in the same class indicate no therapeutic advantage,  
3 then the ~~secretary~~ *director of health policy and finance* shall consider the  
4 cost effectiveness and the net economic impact of such drugs in making  
5 recommendations for inclusion in the state medicaid preferred drug for-  
6 mulary. Drugs which do not have a significant, clinically meaningful ther-  
7 apeutic advantage in terms of safety, effectiveness or clinical outcomes  
8 over other drugs in the same class which have been selected for the  
9 preferred drug formulary may be excluded from the preferred drug for-  
10 mulary and may be subject to prior authorization in accordance with state  
11 and federal law, except, prior to July 1, 2003, where a prescriber has  
12 personally written “dispense as written” or “D.A.W.”, or has signed the  
13 prescriber’s name on the “dispense as written” signature line in accord-  
14 ance with K.S.A. 65-1637, and amendments thereto.

15 (c) The ~~secretary of social and rehabilitation services~~ *director of*  
16 *health policy and finance* shall consider the net economic impact of drugs  
17 selected or excluded from the preferred formulary and may gather infor-  
18 mation on the costs of specific drugs, rebates or discounts pursuant to 42  
19 U.S.C. 1396r-8, dispensing costs, dosing requirements and utilization of  
20 other drugs or other medicaid health care services.

21 (d) The ~~secretary of social and rehabilitation services~~ *director of*  
22 *health policy and finance* may accept all services, including, but not lim-  
23 ited to, disease state management, associated with the delivery of phar-  
24 macy benefits under the state medicaid program having a determinable  
25 cost effect in addition to the medicaid prescription drug rebates required  
26 pursuant to 42 U.S.C. section 1396r-8.

27 (e) The state medicaid preferred drug formulary shall be submitted  
28 to the medicaid drug utilization review board for review and policy  
29 recommendations.

30 Sec. 28. On July 1, 2005, K.S.A. 2004 Supp. 39-7,121d is hereby  
31 amended to read as follows: 39-7,121d. (a) The state medicaid plan shall  
32 include provisions for a program of differential dispensing fees for phar-  
33 macies that provide prescriptions for adult care homes under a unit dose  
34 system in accordance with rules and regulations of the state board of  
35 pharmacy and that participate in the return of unused medications pro-  
36 gram under the state medicaid plan.

37 (b) The state medicaid plan shall include provisions for differential  
38 ingredient cost reimbursement of generic and brand name pharmaceu-  
39 ticals. The ~~secretary of social and rehabilitation services~~ *director of health*  
40 *policy and finance* shall set the rates for differential cost reimbursement  
41 of generic and brand name pharmaceuticals by rules and regulations.

42 Sec. 29. On July 1, 2005, K.S.A. 2004 Supp. 39-7,121e is hereby  
43 amended to read as follows: 39-7,121e. (a) Except where a prescriber has

1 personally written “dispense as written” or “D.A.W.,” or has signed the  
2 prescriber’s name on the “dispense as written” signature line in accord-  
3 ance with K.S.A. 65-1637 and amendments thereto, the ~~secretary of social~~  
4 ~~and rehabilitation services~~ *director of health policy and finance* may limit  
5 reimbursement for a prescription under the medicaid program to the  
6 multisource generic equivalent drug.

7 (b) No pharmacist participating in the medical assistance program  
8 shall be required to dispense a prescription-only drug that will not be  
9 reimbursed by the medical assistance program.

10 Sec. 30. On January 1, 2006, K.S.A. 65-6801 is hereby amended to  
11 read as follows: 65-6801. (a) The legislature recognizes the urgent need  
12 to provide health care consumers, third-party payors, providers and health  
13 care planners with information regarding the trends in use and cost of  
14 health care services in this state for improved decision-making. This is to  
15 be accomplished by compiling a uniform set of data and establishing  
16 mechanisms through which the data will be disseminated.

17 (b) It is the intent of the legislature to require that the information  
18 necessary for a review and comparison of utilization patterns, cost, quality  
19 and quantity of health care services be supplied to the health care data-  
20 base by all providers of health care services and third-party payors to the  
21 extent required by K.S.A. 65-6805 and amendments thereto and this sec-  
22 tion and amendments thereto. The ~~secretary of health and environment~~  
23 ~~at the direction of the health care data governing board~~ *Kansas health*  
24 *policy authority* shall specify by rule and regulation the types of infor-  
25 mation which shall be submitted and the method of submission.

26 (c) The information is to be compiled and made available in a form  
27 prescribed by the ~~governing board~~ *Kansas health policy authority* to im-  
28 prove the decision-making processes regarding access, identified needs,  
29 patterns of medical care, price and use of health care services.

30 Sec. 31. On January 1, 2006, K.S.A. 2004 Supp. 65-6803 is hereby  
31 amended to read as follows: 65-6803. (a) ~~There is hereby created a~~ *On*  
32 *January 1, 2006, the health care data governing board is hereby abolished.*

33 ~~(b) The board shall consist of 15 members appointed as follows: One~~  
34 ~~member shall be appointed by the Kansas medical society, one member~~  
35 ~~shall be appointed by the Kansas hospital association, one member shall~~  
36 ~~be appointed by the executive vice chancellor of the university of Kansas~~  
37 ~~school of medicine, one member who is a licensed professional nurse~~  
38 ~~shall be appointed by the Kansas state nurses association, one member~~  
39 ~~representing health care insurers or other commercial payors shall be~~  
40 ~~appointed by the governor, one member representing a large business~~  
41 ~~that is self-insured as to medical coverage for its employees shall be ap-~~  
42 ~~pointed by the governor, one member representing a small business that~~  
43 ~~is self-insured as to medical coverage for its employees shall be appointed~~

1 ~~by the governor, one member representing adult care homes shall be~~  
2 ~~appointed by the governor, one member representing the Kansas health~~  
3 ~~institute, one member shall be appointed by the state board of regents,~~  
4 ~~one member representing consumers of health care shall be appointed~~  
5 ~~by the governor and one additional member the governor deems appro-~~  
6 ~~priate to serve on this board shall be appointed by the governor. The~~  
7 ~~secretary of health and environment, the secretary of social and rehabil-~~  
8 ~~itation services and the insurance commissioner, or their designees, shall~~  
9 ~~be voting members of the board. The secretary of health and environ-~~  
10 ~~ment, or the designee of the secretary, shall also serve as chairperson of~~  
11 ~~the board. Board members and task force members shall not be paid~~  
12 ~~compensation, subsistence allowances, mileage or other expenses as oth-~~  
13 ~~erwise may be authorized by law for attending meetings or subcommittee~~  
14 ~~meetings of the board. The members appointed to the board shall serve~~  
15 ~~for three-year terms or until their successors are appointed and qualified.~~

16 ~~—(e) (b) The chairperson of the health care data governing board Kan-~~  
17 ~~sas health policy authority may appoint a task force or task forces of~~  
18 ~~interested citizens and providers of health care for the purpose of studying~~  
19 ~~technical issues relating to the collection of health care data. At least one~~  
20 ~~member of the health care data governing board Kansas health policy~~  
21 ~~authority shall be a member of any task force appointed under this~~  
22 ~~subsection.~~

23 ~~(d) The board shall meet at least quarterly and at such other times~~  
24 ~~deemed necessary by the chairperson.~~

25 ~~—(e) (c) The board Kansas health policy authority shall develop policy~~  
26 ~~regarding the collection of health care data and procedures for ensuring~~  
27 ~~the confidentiality and security of these data.~~

28 Sec. 32. On January 1, 2006, K.S.A. 65-6804 is hereby amended to  
29 read as follows: 65-6804. (a) ~~The secretary of health and environment~~  
30 ~~Kansas health policy authority shall administer the health care database.~~  
31 ~~In administering the health care database, the secretary authority shall~~  
32 ~~receive health care data from those entities identified in K.S.A. 65-6805~~  
33 ~~and amendments thereto and provide for the dissemination of such data~~  
34 ~~as directed by the board.~~

35 (b) ~~As directed by the board, the secretary of health and environment~~  
36 ~~The Kansas health policy authority may contract with an organization~~  
37 ~~experienced in health care data collection to collect the data from the~~  
38 ~~health care facilities as described in subsection (h) of K.S.A. 65-425 and~~  
39 ~~amendments thereto, build and maintain the database. The secretary of~~  
40 ~~health and environment Kansas health policy authority may accept data~~  
41 ~~submitted by associations or related organizations on behalf of health care~~  
42 ~~providers by entering into binding agreements negotiated with such as-~~  
43 ~~sociations or related organizations to obtain data required pursuant to this~~

1 section.

2 (c) The ~~secretary of health and environment~~ *Kansas health policy*  
3 *authority* shall adopt rules and regulations ~~approved by the board~~ gov-  
4 erning the acquisition, compilation and dissemination of all data collected  
5 pursuant to this act. The rules and regulations shall provide at a minimum  
6 that:

7 (1) Measures have been taken to provide system security for all data  
8 and information acquired under this act;

9 (2) data will be collected in the most efficient and cost-effective man-  
10 ner for both the department and providers of data;

11 (3) procedures will be developed to assure the confidentiality of pa-  
12 tient records. ~~Patient names, addresses and other personal identifiers will~~  
13 ~~be omitted from the database;~~

14 (4) users may be charged for data preparation or information that is  
15 beyond the routine data disseminated and that the ~~secretary~~ *authority*  
16 shall establish by the adoption of such rules and regulations a system of  
17 fees for such data preparation or dissemination; and

18 (5) the ~~secretary of health and environment~~ *Kansas health policy au-*  
19 *thority* will ensure that the health care database will be kept current,  
20 accurate and accessible as prescribed by rules and regulations.

21 (d) Data and other information collected pursuant to this act ~~shall be~~  
22 ~~confidential, shall be disseminated only for statistical purposes pursuant~~  
23 ~~to rules and regulations adopted by the secretary of health and environ-~~  
24 ~~ment and approved by the board and~~ shall not be disclosed *by the Kansas*  
25 *health policy authority* or made public in any manner which would iden-  
26 tify individuals. A violation of this subsection (d) is a class C misdemeanor.

27 (e) In addition to such criminal penalty under subsection (d), any  
28 individual whose identity is revealed in violation of subsection (d) may  
29 bring a civil action against the responsible person or persons for any dam-  
30 ages to such individual caused by such violation.

31 Sec. 33. On January 1, 2006, K.S.A. 65-6805 is hereby amended to  
32 read as follows: 65-6805. Each medical care facility as defined by subsec-  
33 tion (h) of K.S.A. 65-425 and amendments thereto; health care provider  
34 as defined in K.S.A. 40-3401 and amendments thereto; providers of health  
35 care as defined in subsection (f) of K.S.A. 65-5001 and amendments  
36 thereto; health care personnel as defined in subsection (e) of K.S.A. 65-  
37 5001 and amendments thereto; home health agency as defined by sub-  
38 section (b) of K.S.A. 65-5101 and amendments thereto; psychiatric hos-  
39 pitals licensed under K.S.A. 75-3307b and amendments thereto; state  
40 institutions for the mentally retarded; community mental retardation fa-  
41 cilities as defined under K.S.A. 65-4412 and amendments thereto; com-  
42 munity mental health center as defined under K.S.A. 65-4432 and amend-  
43 ments thereto; adult care homes as defined by K.S.A. 39-923 and

1 amendments thereto; laboratories described in K.S.A. 65-1,107 and  
2 amendments thereto; pharmacies; board of nursing; Kansas dental board;  
3 board of examiners in optometry; state board of pharmacy; state board of  
4 healing arts and third-party payors, including but not limited to, licensed  
5 insurers, medical and hospital service corporations, health maintenance  
6 organizations, fiscal intermediaries for government-funded programs and  
7 self-funded employee health plans, shall file health care data with the  
8 ~~secretary of health and environment~~ *Kansas health policy authority* as  
9 prescribed by the ~~board~~ *authority*. The provisions of this section shall not  
10 apply to any individual, facility or other entity under this section which  
11 uses spiritual means through prayer alone in accordance with the tenets  
12 and practices of a recognized church or religious denomination for the  
13 treatment or cure of disease.

14 Sec. 34. On January 1, 2006, K.S.A. 65-6806 is hereby amended to  
15 read as follows: 65-6806. The ~~secretary of health and environment~~ *Kansas*  
16 *health policy authority* shall make the data available to interested parties  
17 on the basis prescribed by the ~~board~~ *authority* and as directed by rules  
18 and regulations *of the authority*.

19 Sec. 35. On January 1, 2006, K.S.A. 65-6807 is hereby amended to  
20 read as follows: 65-6807. The ~~secretary of health and environment~~ *Kansas*  
21 *health policy authority* shall on or before February 1 each year make a  
22 report to the governor and the legislature as to health care data activity,  
23 including examples of policy analyses conducted and purposes for which  
24 the data was disseminated and utilized, and as to the progress made in  
25 compiling and making available the information specified under K.S.A.  
26 65-6801 and amendments thereto.

27 Sec. 36. On January 1, 2006, K.S.A. 65-6809 is hereby amended to  
28 read as follows: 65-6809. (a) There is hereby established in the state treas-  
29 ury the health care database fee fund. The ~~secretary of health and envi-~~  
30 ~~ronment~~ *Kansas health policy authority* shall remit to the state treasurer,  
31 in accordance with the provisions of K.S.A. 75-4215, and amendments  
32 thereto, all moneys collected or received by the ~~secretary~~ *authority* from  
33 the following sources:

- 34 (1) Fees collected under K.S.A. 65-6804, and amendments thereto;
- 35 (2) moneys received by the ~~secretary~~ *authority* in the form of gifts,  
36 donations or grants;
- 37 (3) interest attributable to investment of moneys in the fund; and
- 38 (4) any other moneys provided by law.

39 Upon receipt of each such remittance, the state treasurer shall deposit  
40 the entire amount in the state treasury to the credit of the health care  
41 database fee fund.

42 (b) Moneys deposited in the health care database fee fund shall be  
43 expended to supplement maintenance costs of the database, provide tech-

1 nical assistance and training in the proper use of health care data and  
2 provide funding for dissemination of information from the database to  
3 the public. ~~If the performance audit required by K.S.A. 65-6808, and~~  
4 ~~amendments thereto, is conducted under contract with a firm, as defined~~  
5 ~~by K.S.A. 46-1112, and amendments thereto, the contract cost of that~~  
6 ~~performance audit may be paid from the health care database fee fund.~~

7 (c) On or before the 10th of each month, the director of accounts  
8 and reports shall transfer from the state general fund to the health care  
9 database fee fund interest earnings based on:

10 (1) The average daily balance of moneys in the health care database  
11 fee fund for the preceding month; and

12 (2) the net earnings rate of the pooled money investment portfolio  
13 for the preceding month.

14 (d) All expenditures from the health care database fee fund shall be  
15 made in accordance with appropriation acts upon warrants of the director  
16 of accounts and reports issued pursuant to vouchers approved by the  
17 ~~secretary of health and environment~~ *Kansas health policy authority or*  
18 *the authority's designee* for the purposes set forth in this section.

19 New Sec. 37. On July 1, 2006, the division of health policy and fi-  
20 nance and the office of the director of health policy and finance estab-  
21 lished within the department of administration by section 7, and amend-  
22 ments thereto, are hereby abolished.

23 Sec. 38. On July 1, 2006, section 9 of this act is hereby amended to  
24 read as follows: Sec. 9. (a) *On and after July 1, 2006, the* ~~director of~~  
25 ~~health policy and finance~~ *Kansas health policy authority* shall coordinate  
26 health care planning, administration, and purchasing and analysis of  
27 health care data for the state of Kansas with respect to the following health  
28 care programs administered by the state of Kansas:

29 (1) Developing, implementing, and administering programs that pro-  
30 vide medical assistance, health insurance programs, or waivers granted  
31 thereunder for persons who are needy, uninsured, or both, and that are  
32 financed by federal funds or state funds, or both, including the following:

33 (A) The Kansas program of medical assistance established in accord-  
34 ance with title XIX of the federal social security act, 42 U.S.C. § 1396 et  
35 seq., and amendments thereto;

36 (B) the health benefits program for children established under K.S.A.  
37 38-2001 et seq., and amendments thereto, and developed and submitted  
38 in accordance with federal guidelines established under title XXI of the  
39 federal social security act, section 4901 of public law 105-33, 42 U.S.C. §  
40 1397aa et seq., and amendments thereto;

41 (C) any program of medical assistance for needy persons financed by  
42 state funds only, to the extent appropriations are made for such a  
43 program;

1 (D) the working healthy portion of the ticket to work program under  
2 the federal work incentive improvement act and the medicaid infrastruc-  
3 ture grants received for the working healthy portion of the ticket to work  
4 program; and

5 (E) the medicaid management information system (MMIS); and

6 (2) administering any other health care programs delegated to the  
7 ~~director~~ *Kansas health policy authority* by the governor or by a contract  
8 with another state agency.

9 (b) Except to the extent required by its single state agency role as  
10 designated in section 10, and amendments thereto, *or as otherwise pro-*  
11 *vided pursuant to this act* the ~~division of health policy and finance~~ *Kansas*  
12 *health policy authority* shall not be responsible for health care planning,  
13 administration, purchasing and data with respect to the following:

14 (1) The mental health reform act, K.S.A. 39-1601 et seq., and amend-  
15 ments thereto;

16 (2) the developmental disabilities reform act, K.S.A. 39-1801 et seq.,  
17 and amendments thereto;

18 (3) the mental health program of the state of Kansas as prescribed  
19 under K.S.A. 75-3304a, and amendments thereto;

20 (4) the addiction and prevention services prescribed under K.S.A. 65-  
21 4001 et seq., and amendments thereto; or

22 (5) any institution, as defined in K.S.A. 76-12a01, and amendments  
23 thereto.

24 Sec. 39. On July 1, 2006, section 10 of this act is hereby amended to  
25 read as follows: Sec. 10. (a) *On and after July 1, 2006*, the ~~division of~~  
26 ~~health policy and finance~~ *Kansas health policy authority* shall be desig-  
27 nated as the single state agency with responsibility for supervising and  
28 administering the state plan for medical assistance under the federal social  
29 security act, 42 U.S.C. § 1396 et seq., and amendments thereto. The  
30 ~~director~~ *Kansas health policy authority* shall develop state plans, as pro-  
31 vided under the federal social security act, whereby the state cooperates  
32 with the federal government in its program of assisting the states finan-  
33 cially in furnishing medical assistance and services to eligible individuals.

34 (b) The ~~director of health policy and finance~~ *Kansas health policy*  
35 *authority* shall undertake to cooperate with the federal government on  
36 any other federal program providing federal financial assistance and serv-  
37 ices for medical assistance not inconsistent with this act. The ~~director of~~  
38 ~~health policy and finance~~ *Kansas health policy authority* is not required  
39 to develop a state plan for participation or cooperation in all federal social  
40 security act programs relating to medical assistance or other available  
41 federal programs that relate to medical assistance.

42 Sec. 40. On July 1, 2006, section 11 of this act is hereby amended to  
43 read as follows: Sec. 11. *On and after July 1, 2006*, the ~~director of health~~

1 ~~policy and finance~~ *Kansas health policy authority* shall have the power,  
2 but is not required, to develop a state plan with regard to medical assis-  
3 tance and services in which the federal government does not participate,  
4 within the limits of appropriations therefor.

5 Sec. 41. On July 1, 2006, section 12 of this act is hereby amended to  
6 read as follows: Sec. 12. (a) Subject to the limitations of subsection (b),  
7 the ~~director of health policy and finance~~ *Kansas health policy authority*  
8 may enter into a contract with one or more state agencies or local gov-  
9 ernmental entities providing for the state agency or local governmental  
10 entity to perform services for the division of health policy and finance or  
11 delegating to the state agency or local governmental entity the adminis-  
12 tration of certain functions, services or programs under any of the pro-  
13 grams for which the ~~director of health policy and finance or the division~~  
14 ~~of health policy and finance~~ *Kansas health policy authority* is responsible.

15 (b) With respect to any plan or program that is subject to or financed  
16 in part under the federal social security act, 42 U.S.C. § 1396 et seq., and  
17 amendments thereto, the authority of the ~~director of health policy and~~  
18 ~~finance or the division of health policy and finance~~ *Kansas health policy*  
19 *authority* to exercise administrative discretion in the administration or  
20 supervision of the plan or program and to issue policies and to adopt rules  
21 and regulations on plan or program matters shall not be delegated by the  
22 ~~director of health policy and finance~~ *Kansas health policy authority*, other  
23 than to officials and employees of the ~~division of health policy and finance~~  
24 *authority*. To the extent that the ~~director of health policy and finance~~  
25 *Kansas health policy authority* enters into a contract with a state agency  
26 or local governmental entity under this section, the other state agency or  
27 the local governmental entity shall not have the authority to change or  
28 disapprove any administrative decision of the ~~director of health policy and~~  
29 ~~finance or the division of health policy and finance~~ *Kansas health policy*  
30 *authority* or to otherwise substitute its judgment for that of the ~~director~~  
31 ~~of health policy and finance or the division of health policy and finance~~  
32 *Kansas health policy authority* with respect to the application of policies  
33 issued or rules and regulations adopted by the ~~director of health policy~~  
34 ~~and finance~~ *Kansas health policy authority* for any plan or program that  
35 is subject to or financed in part under the federal social security act, 42  
36 U.S.C. § 1396 et seq., and amendments thereto.

37 Sec. 42. On July 1, 2006, section 13 of this act is hereby amended to  
38 read as follows: Sec. 13. (a) *On and after July 1, 2006*, the ~~director of~~  
39 ~~health policy and finance~~ *Kansas health policy authority* shall have the  
40 power and duty to establish general policies relating to the health care  
41 programs under the ~~director~~ *authority* as provided in section 9, and  
42 amendments thereto, and to adopt rules and regulations therefor.

43 (b) The ~~director of health policy and finance~~ *Kansas health policy*

- 1 *authority* shall advise the governor and the legislature on all health care  
2 programs, policies and plans for which the ~~director of health policy and~~  
3 ~~finance or the division of health policy and finance~~ *Kansas health policy*  
4 *authority* is responsible under this act.
- 5 (c) The ~~director of health policy and finance~~ *Kansas health policy*  
6 *authority* shall establish an adequate system of financial records. The  
7 ~~director of health policy and finance~~ *Kansas health policy authority* shall  
8 make periodic reports to the governor and shall make any reports re-  
9 quired by federal agencies.
- 10 (d) The ~~director of health policy and finance~~ *Kansas health policy*  
11 *authority* may assist other departments, agencies and institutions of the  
12 state and federal government and of other states under interstate agree-  
13 ments, when so requested, by performing services in conformity with the  
14 purposes of this act.
- 15 (e) All contracts of the ~~division of health policy and finance~~ *Kansas*  
16 *health policy authority* shall be made in the name of the “~~director of~~  
17 ~~health policy and finance~~ *Kansas health policy authority.*” In that name,  
18 the ~~director~~ *Kansas health policy authority* may sue and be sued. The  
19 grant of authority under this subsection shall not be construed to be a  
20 waiver of any rights retained by the state under the 11th amendment to  
21 the United States constitution and shall be subject to and shall not su-  
22 perse the provisions of any appropriation act of this state.
- 23 (f) After consulting with any agency that has responsibility under a  
24 contract with the ~~division of health policy and finance~~ *Kansas health pol-*  
25 *icy authority* for administration of any of the programs of the ~~division~~  
26 *authority*, the ~~director of health policy and finance~~ *Kansas health policy*  
27 *authority* shall prepare annually, at the time and in the form directed by  
28 the governor, a budget covering the estimated receipts and expenditures  
29 of the ~~division of health policy and finance~~ *Kansas health policy authority*  
30 for the coming fiscal year.
- 31 (g) The ~~director of health policy and finance~~ *Kansas health policy*  
32 *authority* shall have authority to make grants of funds for the promotion  
33 of health care programs in the state of Kansas, subject to the provisions  
34 of appropriation acts.
- 35 (h) The ~~director of health policy and finance~~ *Kansas health policy*  
36 *authority* may receive grants, gifts, bequests, money, or aid of any char-  
37 acter whatsoever, for purposes consistent with sections 9 through 14, and  
38 amendments thereto.
- 39 (i) The ~~director of health policy and finance~~ *Kansas health policy*  
40 *authority* may enter into agreements with other states or the agency des-  
41 ignated as the single state agency under the federal social security act, 42  
42 U.S.C. § 1396 et seq., and amendments thereto, for another state setting  
43 out the manner for determining the state of residence in disputed cases

1 and the bearing or sharing of costs associated with those cases.

2 (j) ~~The director of health policy and finance~~ *Kansas health policy*  
3 *authority* shall establish such advisory groups as are necessary to assist  
4 the division of health policy and finance in carrying out its responsibilities  
5 under sections 9 through 14, and amendments thereto, including the  
6 following:

7 (1) A consumer advisory board consisting of representatives of con-  
8 sumers of health care services provided under title XIX of the federal  
9 social security act, 42 U.S.C. § 1396 et seq., and title XXI of the social  
10 security act, 42 U.S.C. § 1397aa et seq., and amendments thereto, and  
11 representatives of these consumers' family members; and

12 (2) a policy coordination board consisting of representatives from  
13 those state agencies with which the ~~director~~ *Kansas health policy au-*  
14 *thority* enters into a contract under section 12, and amendments thereto,  
15 and representatives from any other state agencies, as determined by the  
16 ~~director~~ *Kansas health policy authority*.

17 (k) ~~The director of health policy and finance~~ *Kansas health policy*  
18 *authority* shall perform any other duties and services that are necessary  
19 to carry out the purposes of sections 9 through 14, and amendments  
20 thereto, and that are not inconsistent with state law.

21 Sec. 43. On July 1, 2006, section 14 of this act is hereby amended to  
22 read as follows: Sec. 14. On *and after* July 1, ~~2005~~ 2006, except as oth-  
23 erwise provided by this act, all of the following powers, duties and func-  
24 tions of the ~~department of social and rehabilitation services and the sec-~~  
25 ~~retary of social and rehabilitation services~~ *division of health policy and*  
26 *finance within the department of administration and the director of health*  
27 *policy and finance* are hereby transferred to and imposed upon the ~~di-~~  
28 ~~vision of health policy and finance within the department of administra-~~  
29 ~~tion and the director of health policy and finance~~ *Kansas health policy*  
30 *authority* established by ~~this act~~ *section 1, and amendments thereto*:

31 (a) All of the powers, duties and functions of the ~~secretary of social~~  
32 ~~and rehabilitation services~~ under chapter 39 of the Kansas Statutes An-  
33 notated, and amendments thereto, *that were transferred on July 1, 2005,*  
34 *to the division of health planning and finance and the director of health*  
35 *planning and finance* and that relate to development, implementation and  
36 administration of programs that provide medical assistance, health insur-  
37 ance programs or waivers granted thereunder for persons who are needy  
38 or uninsured, or both, and that are financed by federal funds or state  
39 funds, or both, including the following:

40 (1) The Kansas program of medical assistance established in accord-  
41 ance with title XIX of the federal social security act, 42 U.S.C. § 1396 et  
42 seq., and amendments thereto; and

43 (2) any program of medical assistance for needy persons financed by

1 state funds only;

2 (b) all of the powers, duties and functions of the ~~secretary of social~~  
 3 ~~and rehabilitation services that were transferred on July 1, 2005, to the~~  
 4 ~~division of health planning and finance and the director of health planning~~  
 5 ~~and finance~~ with respect to the health benefits program for children es-  
 6 tablished under K.S.A. 38-2001 et seq., and amendments thereto, and  
 7 developed and submitted in accordance with federal guidelines estab-  
 8 lished under title XXI of the federal social security act, section 4901 of  
 9 public law 105-33, 42 U.S.C. § 1397aa et seq., and amendments thereto;

10 (c) the working healthy portion of the ticket to work program under  
 11 the federal work incentive improvement act and the medicaid infrastruc-  
 12 ture grants received for the working healthy portion of the ticket to work  
 13 program;

14 (d) the medicaid management information system (MMIS); and

15 (e) all of the powers, duties and functions of the ~~department of social~~  
 16 ~~and rehabilitation services and secretary of social and rehabilitation serv-~~  
 17 ~~ices~~ associated with designation of the ~~department of social and rehabil-~~  
 18 ~~itation services~~ as the single state agency under title XIX of the federal  
 19 social security act, 42 U.S.C. § 1396 et seq., and amendments thereto.  
 20 *On and after July 1, 2006*, the designation of the ~~department of social~~  
 21 ~~and rehabilitation services division of health and finance~~ as the single state  
 22 agency for medicaid purposes is hereby transferred to the ~~division of~~  
 23 ~~health policy and finance~~ *Kansas health policy authority*.

24 Sec. 44. On July 1, 2006, section 15 of this act is hereby amended to  
 25 read as follows: Sec. 15. (a) *On and after July 1, 2006*, the ~~division of~~  
 26 ~~health policy and finance within the department of administration and~~  
 27 ~~the director of health policy and finance established by this act~~ *Kansas*  
 28 *health policy authority* shall be the successor in every way to the powers,  
 29 duties and functions of the ~~department of social and rehabilitation serv-~~  
 30 ~~ices and secretary of social and rehabilitation services division of health~~  
 31 ~~policy and finance and the director of health policy and finance~~ in which  
 32 the same were vested prior to ~~the effective date of this act~~ *July 1, 2006*,  
 33 and that are transferred pursuant to section 14, and amendments thereto.  
 34 Every act performed in the exercise of such transferred powers, duties  
 35 and functions by or under the authority of the ~~division of health policy~~  
 36 ~~and finance or the director of health policy and finance within the de-~~  
 37 ~~partment of administration~~ *Kansas health policy authority* shall be  
 38 deemed to have the same force and effect as if performed by the ~~de-~~  
 39 ~~partment of social and rehabilitation services or secretary of social and~~  
 40 ~~rehabilitation services division of health policy and finance and the di-~~  
 41 ~~rector of health policy and finance~~ in which such powers, duties and  
 42 functions were vested prior to July 1, ~~2005~~ 2006.

43 (b) ~~From July 1, 2005, through June 30~~ *On and after July 1, 2006*,

1 whenever the ~~department of social and rehabilitation services or the sec-~~  
2 ~~retary of social and rehabilitation services~~ *division of health policy and*  
3 *finance within the department of administration or the director of health*  
4 *policy and finance*, or words of like effect, are referred to or designated  
5 by a statute, contract, memorandum of understanding, plan, grant, waiver  
6 or other document and such reference is in regard to any of the powers,  
7 duties or functions transferred to the ~~division of health policy and finance~~  
8 ~~or the director of health policy and finance~~ *Kansas health policy authority*  
9 pursuant to section 14, and amendments thereto, such reference or des-  
10 ignation shall be deemed to apply to the ~~division of health policy and~~  
11 ~~finance or the director of health policy and finance, respectively~~ *Kansas*  
12 *health policy authority*. The provisions of this subsection shall not apply  
13 to references to or designations of the ~~department of social and rehabil-~~  
14 ~~itation services or the secretary of social and rehabilitation services~~ *divi-*  
15 *sion of health policy and finance within the department of administration*  
16 *or the director of health policy and finance*, or words of like effect, by the  
17 provisions of appropriation acts.

18 (c) All rules and regulations, orders and directives of the ~~secretary of~~  
19 ~~social and rehabilitation services~~ *director of health policy and finance* that  
20 relate to the functions transferred by section 14, and amendments  
21 thereto, and that are in effect on July 1, ~~2005~~ 2006, shall continue to be  
22 effective and shall be deemed to be rules and regulations, orders and  
23 directives of the ~~director of health policy and finance~~ *Kansas health policy*  
24 *authority* until revised, amended, revoked or nullified pursuant to law.

25 Sec. 45. On July 1, 2006, section 16 of this act is hereby amended to  
26 read as follows: Sec. 16. (a) ~~On July 1, 2006, the division of health policy~~  
27 ~~and finance within the department of administration~~ *Kansas health policy*  
28 *authority* shall succeed to all property, property rights, and records that  
29 were used for or pertain to the performance of powers, duties and func-  
30 tions transferred to the ~~division~~ *Kansas health policy authority* pursuant  
31 to section 14, and amendments thereto. Any conflict as to the proper  
32 disposition of property, personnel or records arising under this act shall  
33 be determined by the governor, whose decision shall be final.

34 (b) The provisions of this section shall not apply to the balances of  
35 any funds or accounts thereof appropriated or reappropriated for the  
36 department of ~~social and rehabilitation services~~ *administration* relating to  
37 the powers, duties and functions transferred by section 14, and amend-  
38 ments thereto. All such balances of any funds or accounts thereof shall  
39 be transferred by and be subject to the provisions of appropriation acts.

40 Sec. 46. On July 1, 2006, section 17 of this act is hereby amended to  
41 read as follows: Sec. 17. (a) (1) All officers and employees of the ~~depart-~~  
42 ~~ment of social and rehabilitation services~~ *division of health policy and*  
43 *finance within the department of administration* who, immediately prior

1 to ~~the effective date of this act~~ July 1, 2006, are engaged in the exercise  
2 and performance of the powers, duties and functions transferred to the  
3 ~~division of health policy and finance or the director of health policy and~~  
4 ~~finance~~ *Kansas health policy authority* by section 14, and amendments  
5 thereto, are transferred to the ~~department of administration~~ *Kansas*  
6 *health policy authority* on July 1, ~~2005~~ 2006, or on a later date or dates  
7 determined by the ~~secretary of social and rehabilitation services~~ *Kansas*  
8 *health policy authority* and the secretary of administration.

9 (2) All officers and employees of the department of ~~social and reha-~~  
10 ~~ilitation services~~ *administration* who are determined by the ~~secretary of~~  
11 ~~social and rehabilitation services~~ *Kansas health policy authority* and the  
12 secretary of administration to be engaged in providing administrative,  
13 technical or other support services that are essential to the exercise and  
14 performance of the powers, duties and functions transferred by section  
15 14, and amendments thereto, are transferred to the ~~department of ad-~~  
16 ~~ministration~~ *Kansas health policy authority* on July 1, ~~2005~~ 2006, or on a  
17 later date or dates determined by the ~~secretary of social and rehabilitation~~  
18 ~~services~~ *Kansas health policy authority* and the secretary of  
19 administration.

20 (3) All classified employees transferred under this subsection (a) shall  
21 retain their status as classified employees. Thereafter, except as otherwise  
22 provided by this act, the ~~secretary of administration~~ *Kansas health policy*  
23 *authority* may convert vacant classified positions to positions that are not  
24 classified as otherwise provided by law. The positions of all officers and  
25 employees of the ~~department of administration~~ *Kansas health policy au-*  
26 *thority* performing duties and functions under the Kansas program of  
27 medical assistance established in accordance with title XIX of the federal  
28 social security act, 42 U.S.C. § 1396 et seq., and amendments thereto, that  
29 are required under applicable federal law, rules and regulations, and pol-  
30 icies to be under a merit-based personnel system, shall be in the classified  
31 service under the Kansas civil service act.

32 (b) Officers and employees of the department of ~~social and rehab-~~  
33 ~~ilitation services~~ *administration* transferred by this ~~act~~ *section* shall retain  
34 all retirement benefits and leave balances and rights that had accrued or  
35 vested prior to the date of transfer. The service of each such officer and  
36 employee so transferred shall be deemed to have been continuous. Any  
37 subsequent transfers, layoffs or abolition of classified service positions  
38 under the Kansas civil service act shall be made in accordance with the  
39 civil service laws and any rules and regulations adopted thereunder. Noth-  
40 ing in this act shall affect the classified status of any transferred person  
41 employed by the department of ~~social and rehabilitation services~~ *admin-*  
42 *istration* prior to the date of transfer.

43 Sec. 47. On July 1, 2006, section 18 of this act is hereby amended to

1 read as follows: Sec. 18. Liability for accrued compensation or salaries of  
2 each officer and employee who is transferred to the *Kansas health policy*  
3 *authority from the* department of administration under section 17, and  
4 amendments thereto, shall be assumed and paid by the ~~department of~~  
5 ~~administration~~ *Kansas health policy authority* on July 1, ~~2005~~ 2006, or on  
6 the date of the transfer, whichever is later.

7 Sec. 48. On July 1, 2006, K.S.A. 39-7,116, as amended by section 22  
8 of this act, is hereby amended to read as follows: 39-7,116. As used in  
9 this act:

10 (a) “Restrictive drug formulary” means a list of prescription-only  
11 drugs established by the department which excludes in whole or in part  
12 reimbursement by the department for such drugs under a program ad-  
13 ministered by the department.

14 (b) The words and phrases used in this section shall have the same  
15 meanings as are ascribed to such words and phrases under K.S.A. 65-  
16 1626 and amendments thereto.

17 (c) “Physician” means a person licensed to practice medicine and  
18 surgery.

19 (d) ~~“Director”~~ “*Authority*” means the ~~director of health policy and~~  
20 ~~finance of the division of health policy and finance~~ *Kansas health policy*  
21 *authority* established by ~~section 7~~ *section 1*, and amendments thereto.

22 Sec. 49. On July 1, 2006, K.S.A. 2004 Supp. 39-7,118, as amended  
23 by section 23 of this act, is hereby amended to read as follows: 39-7,118.  
24 The ~~director of health policy and finance~~ *Kansas health policy authority*  
25 shall implement a drug utilization review program with the assistance of  
26 a medicaid drug utilization review board as provided in K.S.A. 39-7,119  
27 and amendments thereto to assure the appropriate utilization of drugs by  
28 patients receiving medical assistance under the medicaid program. The  
29 drug utilization review program shall include:

30 (a) Monitoring of prescription information including overutilization  
31 and underutilization of prescription-only drugs;

32 (b) making periodic reports of findings and recommendations to the  
33 ~~director of health policy and finance~~ *Kansas health policy authority* and  
34 the United States department of health and human services regarding the  
35 activities of the board, drug utilization review programs, summary of in-  
36 terventions, assessments of education interventions and drug utilization  
37 review cost estimates;

38 (c) providing for prospective and retrospective drug utilization re-  
39 view, as specified in the federal omnibus budget reconciliation act of 1990  
40 (public law 101-508);

41 (d) monitoring provider and recipient compliance with program  
42 objectives;

43 (e) providing educational information on state program objectives,

1 directly or by contract, to private and public sector health care providers  
2 to improve prescribing and dispensing practices;

3 (f) reviewing the increasing costs of purchasing prescription drugs  
4 and making recommendations on cost containment;

5 (g) reviewing profiles of medicaid beneficiaries who have multiple  
6 prescriptions above a level specified by the board; and

7 (h) recommending any modifications or changes to the medicaid pre-  
8 scription drug program.

9 Sec. 50. On July 1, 2006, K.S.A. 2004 Supp. 39-7,119, as amended  
10 by section 24 of this act, is hereby amended to read as follows: 39-7,119.

11 (a) There is hereby created the medicaid drug utilization review board  
12 which shall be responsible for the implementation of retrospective and  
13 prospective drug utilization programs under the Kansas medicaid  
14 program.

15 (b) Except as provided in subsection (i), the board shall consist of at  
16 least seven members appointed as follows:

17 (1) Two licensed physicians actively engaged in the practice of med-  
18 icine, nominated by the Kansas medical society and appointed by the  
19 ~~director of health policy and finance~~ *Kansas health policy authority* from  
20 a list of four nominees;

21 (2) one licensed physician actively engaged in the practice of osteo-  
22 pathic medicine, nominated by the Kansas association of osteopathic  
23 medicine and appointed by the ~~director of health policy and finance~~ *Kan-  
24 sas health policy authority* from a list of four nominees;

25 (3) two licensed pharmacists actively engaged in the practice of phar-  
26 macy, nominated by the Kansas pharmacy association and appointed by  
27 the ~~director of health policy and finance~~ *Kansas health policy authority*  
28 from a list of four nominees;

29 (4) one person licensed as a pharmacist and actively engaged in ac-  
30 ademic pharmacy, appointed by the ~~director of health policy and finance~~  
31 *Kansas health policy authority* from a list of four nominees provided by  
32 the university of Kansas;

33 (5) one licensed professional nurse actively engaged in long-term care  
34 nursing, nominated by the Kansas state nurses association and appointed  
35 by the ~~director of health policy and finance~~ *Kansas health policy authority*  
36 from a list of four nominees.

37 (c) The ~~director of health policy and finance~~ *Kansas health policy  
38 authority* may add two additional members so long as no class of profes-  
39 sional representatives exceeds 51% of the membership.

40 (d) The physician and pharmacist members shall have expertise in  
41 the clinically appropriate prescribing and dispensing of outpatient drugs.

42 (e) The appointments to the board shall be for terms of three years.  
43 In making the appointments, the ~~director of health policy and finance~~

1 *Kansas health policy authority* shall provide for geographic balance in the  
2 representation on the board to the extent possible. Subject to the provi-  
3 sions of subsection (i), members may be reappointed.

4 (f) The board shall elect a chairperson from among board members  
5 who shall serve a one-year term. The chairperson may serve consecutive  
6 terms.

7 (g) The board, in accordance with K.S.A. 75-4319 and amendments  
8 thereto, may recess for a closed or executive meeting when it is consid-  
9 ering matters relating to identifiable patients or providers.

10 (h) All actions of the medicaid drug utilization review board shall be  
11 upon the affirmative vote of five members of the board and the vote of  
12 each member present when action was taken shall be recorded by roll  
13 call vote.

14 (i) Upon the expiration of the term of office of any member of the  
15 medicaid drug utilization review board on or after the effective date of  
16 this act and in any case of a vacancy existing in the membership position  
17 of any member of the medicaid drug utilization review board on or after  
18 the effective date of this act, a successor shall be appointed by the ~~director~~  
19 ~~of health policy and finance~~ *Kansas health policy authority* so that as the  
20 terms of members expire, or vacancies occur, members are appointed  
21 and the composition of the board is changed in accordance with the fol-  
22 lowing and such appointment shall be made by the ~~director of health~~  
23 ~~policy and finance~~ *Kansas health policy authority* in the following order  
24 of priority:

25 (1) One member shall be a licensed pharmacist who is actively per-  
26 forming or who has experience performing medicaid pharmacy services  
27 for a hospital and who is nominated by the Kansas hospital association  
28 and appointed by the ~~director of health policy and finance~~ *Kansas health*  
29 *policy authority* from a list of two or more nominees;

30 (2) one member shall be a licensed pharmacist who is actively per-  
31 forming or who has experience performing medicaid pharmacy services  
32 for a licensed adult care home and who is nominated by the state board  
33 of pharmacy and appointed by the ~~director of health policy and finance~~  
34 *Kansas health policy authority* from a list of two or more nominees;

35 (3) one member shall be a licensed physician who is actively engaged  
36 in the general practice of allopathic medicine and who has practice ex-  
37 perience with the state medicaid plan and who is nominated by the Kansas  
38 medical society and appointed by the ~~director of health policy and finance~~  
39 *Kansas health policy authority* from a list of two or more nominees;

40 (4) one member shall be a licensed physician who is actively engaged  
41 in mental health practice providing care and treatment to persons with  
42 mental illness, who has practice experience with the state medicaid plan  
43 and who is nominated by the Kansas psychiatric society and appointed by

1 the ~~director of health policy and finance~~ *Kansas health policy authority*  
2 from a list of two or more nominees;

3 (5) one member shall be a licensed physician who is the medical  
4 director of a nursing facility, who has practice experience with the state  
5 medicaid plan and who is nominated by the Kansas medical society and  
6 appointed by the ~~director of health policy and finance~~ *Kansas health pol-*  
7 *icy authority* from a list of two or more nominees;

8 (6) one member shall be a licensed physician who is actively engaged  
9 in the general practice of osteopathic medicine, who has practice expe-  
10 rience with the state medicaid plan and who is nominated by the Kansas  
11 association of osteopathic medicine and who is appointed by the ~~director~~  
12 ~~of health policy and finance~~ *Kansas health policy authority* from a list of  
13 two or more nominees;

14 (7) one member shall be a licensed pharmacist who is actively en-  
15 gaged in retail pharmacy, who has practice experience with the state med-  
16 icaid plan and who is nominated by the state board of pharmacy and  
17 appointed by the ~~director of health policy and finance~~ *Kansas health pol-*  
18 *icy authority* from a list of two or more nominees;

19 (8) one member shall be a licensed pharmacist who is actively en-  
20 gaged in or who has experience in research pharmacy and who is nomi-  
21 nated jointly by the Kansas task force for the pharmaceutical research  
22 and manufacturers association and the university of Kansas and appointed  
23 by the ~~director of health policy and finance~~ *Kansas health policy authority*  
24 from a list of two or more jointly nominated persons; and

25 (9) one member shall be a licensed advanced registered nurse prac-  
26 titioner or physician assistant actively engaged in the practice of providing  
27 the health care and treatment services such person is licensed to perform,  
28 who has practice experience with the state medicaid plan and who is  
29 nominated jointly by the Kansas state nurses' association and the Kansas  
30 academy of physician assistants and appointed by the ~~director of health~~  
31 ~~policy and finance~~ *Kansas health policy authority* from a list of two or  
32 more jointly nominated persons.

33 Sec. 51. On July 1, 2006, K.S.A. 2004 Supp. 39-7,120, as amended  
34 by section 25 of this act, is hereby amended to read as follows: 39-7,120.

35 (a) The ~~director of health policy and finance~~ *Kansas health policy au-*  
36 *thority* shall not restrict patient access to prescription-only drugs pursuant  
37 to a program of prior authorization or a restrictive formulary except by  
38 rules and regulations adopted in accordance with K.S.A. 77-415 *et seq.*,  
39 and amendments thereto. Prior to the promulgation of any such rules and  
40 regulations, the ~~director of health policy and finance~~ *Kansas health policy*  
41 *authority* shall submit such proposed rules and regulations to the medi-  
42 caid drug utilization review board for written comment. The ~~director~~  
43 ~~health policy and finance~~ *Kansas health policy authority* may not imple-

1 ment permanent prior authorization until 30 days after receipt of com-  
2 ments by the drug utilization review board.

3 (b) When considering recommendations from the medicaid drug util-  
4 ization review board regarding the prior authorization of a drug, the ~~di-~~  
5 ~~rector of health policy and finance~~ *Kansas health policy authority* shall  
6 consider the net economic impact of such prior authorization, including,  
7 but not limited to, the costs of specific drugs, rebates or discounts pur-  
8 suant to 42 U.S.C. 1396r-8, dispensing costs, dosing requirements and  
9 utilization of other drugs or other medicaid health care services which  
10 may be related to the prior authorization of such drug.

11 Sec. 52. On July 1, 2006, K.S.A. 39-7,121, as amended by section 26  
12 of this act, is hereby amended to read as follows: 39-7,121. (a) The ~~di-~~  
13 ~~rector of health policy and finance~~ *Kansas health policy authority* shall  
14 establish and implement an electronic pharmacy claims management sys-  
15 tem in order to provide for the on-line adjudication of claims and for  
16 electronic prospective drug utilization review.

17 (b) The system shall provide for electronic point-of-sale review of  
18 drug therapy using predetermined standards to screen for potential drug  
19 therapy problems including incorrect drug dosage, adverse drug-drug in-  
20 teractions, drug-disease contraindications, therapeutic duplication, incor-  
21 rect duration of drug treatment, drug-allergy interactions and clinical  
22 abuse or misuse.

23 (c) The ~~director of health policy and finance~~ *Kansas health policy*  
24 *authority* shall not utilize this system, or any other system or program to  
25 require that a recipient has utilized or failed with a drug usage or drug  
26 therapy prior to allowing the recipient to receive the product or therapy  
27 recommended by the recipient's physician.

28 Sec. 53. On July 1, 2006, K.S.A. 2004 Supp. 39-7,121a, as amended  
29 by section 27 of this act, is hereby amended to read as follows: 39-7,121a.

30 (a) The ~~director of health policy and finance~~ *Kansas health policy au-*  
31 *thority* may establish an advisory committee pursuant to K.S.A. 75-5313,  
32 and amendments thereto, to advise the ~~director of health policy and fi-~~  
33 ~~nance~~ *Kansas health policy authority* in the development of a preferred  
34 formulary listing of covered drugs by the state medicaid program.

35 (b) The ~~director of health policy and finance~~ *Kansas health policy*  
36 *authority* shall evaluate drugs and drug classes for inclusion in the state  
37 medicaid preferred drug formulary based on safety, effectiveness and  
38 clinical outcomes of such treatments. In addition, the ~~director of health~~  
39 ~~policy and finance~~ *Kansas health policy authority* shall evaluate drugs and  
40 drug classes to determine whether inclusion of such drugs or drug classes  
41 in a starter dose program would be clinically efficacious and cost effective.  
42 If the factors of safety, effectiveness and clinical outcomes among drugs  
43 being considered in the same class indicate no therapeutic advantage,

1 then the ~~director of health policy and finance~~ *Kansas health policy au-*  
2 *thority* shall consider the cost effectiveness and the net economic impact  
3 of such drugs in making recommendations for inclusion in the state med-  
4 icaid preferred drug formulary. Drugs which do not have a significant,  
5 clinically meaningful therapeutic advantage in terms of safety, effective-  
6 ness or clinical outcomes over other drugs in the same class which have  
7 been selected for the preferred drug formulary may be excluded from  
8 the preferred drug formulary and may be subject to prior authorization  
9 in accordance with state and federal law, except, prior to July 1, 2003,  
10 where a prescriber has personally written “dispense as written” or  
11 “D.A.W.”, or has signed the prescriber’s name on the “dispense as writ-  
12 ten” signature line in accordance with K.S.A. 65-1637, and amendments  
13 thereto.

14 (c) The ~~director of health policy and finance~~ *Kansas health policy*  
15 *authority* shall consider the net economic impact of drugs selected or  
16 excluded from the preferred formulary and may gather information on  
17 the costs of specific drugs, rebates or discounts pursuant to 42 U.S.C.  
18 1396r-8, dispensing costs, dosing requirements and utilization of other  
19 drugs or other medicaid health care services.

20 (d) The ~~director of health policy and finance~~ *Kansas health policy*  
21 *authority* may accept all services, including, but not limited to, disease  
22 state management, associated with the delivery of pharmacy benefits un-  
23 der the state medicaid program having a determinable cost effect in ad-  
24 dition to the medicaid prescription drug rebates required pursuant to 42  
25 U.S.C. section 1396r-8.

26 (e) The state medicaid preferred drug formulary shall be submitted  
27 to the medicaid drug utilization review board for review and policy  
28 recommendations.

29 Sec. 54. On July 1, 2006, K.S.A. 2004 Supp. 39-7,121d, as amended  
30 by section 28 of this act, is hereby amended to read as follows: 39-7,121d.

31 (a) The state medicaid plan shall include provisions for a program of  
32 differential dispensing fees for pharmacies that provide prescriptions for  
33 adult care homes under a unit dose system in accordance with rules and  
34 regulations of the state board of pharmacy and that participate in the  
35 return of unused medications program under the state medicaid plan.

36 (b) The state medicaid plan shall include provisions for differential  
37 ingredient cost reimbursement of generic and brand name pharmaceu-  
38 ticals. The ~~director of health policy and finance~~ *Kansas health policy au-*  
39 *thority* shall set the rates for differential cost reimbursement of generic  
40 and brand name pharmaceuticals by rules and regulations.

41 Sec. 55. On July 1, 2006, K.S.A. 2004 Supp. 39-7,121e, as amended  
42 by section 29 of this act, is hereby amended to read as follows: 39-7,121e.

43 (a) Except where a prescriber has personally written “dispense as written”

1 or “D.A.W.,” or has signed the prescriber’s name on the “dispense as  
2 written” signature line in accordance with K.S.A. 65-1637 and amend-  
3 ments thereto, the ~~director of health policy and finance~~ *Kansas health*  
4 *policy authority* may limit reimbursement for a prescription under the  
5 medicaid program to the multisource generic equivalent drug.

6 (b) No pharmacist participating in the medical assistance program  
7 shall be required to dispense a prescription-only drug that will not be  
8 reimbursed by the medical assistance program.

9 Sec. 56. On July 1, 2005, K.S.A. 39-7,116 and 39-7,121 and K.S.A.  
10 2004 Supp. 39-7,118, 39-7,119, 39-7,120, 39-7,121a, 39-7,121d and 39-  
11 7,121e are hereby repealed.

12 Sec. 57. On January 1, 2006, K.S.A. 65-6801, 65-6804, 65-6805, 65-  
13 6806, 65-6807, 65-6808 and 65-6809 and K.S.A. 2004 Supp. 65-6803 are  
14 hereby repealed.

15 Sec. 58. On July 1, 2006, sections 7 through 18 of this act and K.S.A.  
16 39-7,116, as amended by section 22 of this act, and 39-7,121, as amended  
17 by section 26 of this act, and K.S.A. 2004 Supp. 39-7,118, as amended by  
18 section 23 of this act, 39-7,119, as amended by section 24 of this act, 39-  
19 7,120, as amended by section 25 of this act, 39-7,121a, as amended by  
20 section 27 of this act, 39-7,121d, as amended by section 28 of this act,  
21 and 39-7,121e, as amended by section 29 of this act, are hereby repealed.

22 Sec. 59. This act shall take effect and be in force from and after its  
23 publication in the statute book.