

February 10, 2025

The Honorable William Sutton, Chairperson
House Committee on Insurance
300 SW 10th Avenue, Room 218-N
Topeka, Kansas 66612

Dear Representative Sutton:

SUBJECT: Fiscal Note for HB 2244 by House Committee on Insurance

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2244 is respectfully submitted to your committee.

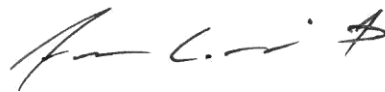
HB 2244 would limit the authority of the Board of Pharmacy to regulate telepharmacy, specifically regarding population, distance from other pharmacies, and network adequacy. The bill would end the term of all Board members effective December 31, 2025 and would allow for the appointment of seven new Board members on or after January 1, 2026. The bill would determine the Board member composition and appointment authority.

The Board of Pharmacy indicates that enactment HB 2244 would have a fiscal effect on the Board but is not able to determine the effect. The Board is unable to predict how many facility owners would seek registration for telepharmacy outlets in Kansas or how regulations would impact the volume of Kansas pharmacy registrants. An increase in the number of facility applications, registrants, and renewals would result in increased revenue to the Board. However, an increase in the number of facilities would also result in increased expenditures related to licensing activities, inspections, investigations, and possible disciplinary actions. Depending on the volume of registrants and the location of the facilities, it is possible that additional expenditure authority and staff not included in the agency's current budget submissions would be required in future fiscal years. The Board is unable to estimate these costs, but they would be offset by the additional revenue from registration fees.

While the total number of Board members remains unchanged, the Board always experiences a fiscal effect when new Board members are appointed. Generally, these new appointments are staggered (two members every 1-2 years), where this change would be happening

at the same time. The most common change is related to the physical location of Board members which affects mileage, per diem, and lodging expenses for Board meetings. Board member orientation and onboarding is also a time-intensive process that includes minor expenditures. The Board anticipates these expenses and staff workload could be absorbed in existing agency operations and expenditure authority, but could not confirm this until the new appointments and the appointees' locations are provided. Any fiscal effect associated with HB 2244 is not reflected in *The FY 2026 Governor's Budget Report*.

Sincerely,

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

Adam C. Proffitt
Director of the Budget

cc: Alexandra Blasi, Board of Pharmacy