

February 5, 2026

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 2550 by House Committee on Insurance

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2550 is respectfully submitted to your committee.

Under HB 2550, each year, starting January 1, 2027, each hospital participating in the federal 340B drug pricing program would provide an annual report to the Department of Insurance that would be posted on the Department's website. The Department would be required to develop a form for the annual report. The report would include at least how the hospital uses savings from the participation in the 340B to benefit the hospital's community through programs and services, annual estimated savings from the 340B program comparing the acquisition price of drugs under 340B to group purchasing organization pricing, a comparison of the hospital's estimated savings under 340B to the total drug expenditures, and a description of the hospital's internal review and oversight of 340B that satisfies the federal Department of Health and Human Services, Health Resources and Services Administration's program rules and guide compliance. The bill details additional information a hospital would report to the Insurance Commissioner, including address, classification, and aggregated cost of drugs obtained under 340B. The bill also requires the Department of Insurance to name a pricing source to be utilized when a group purchasing organization pricing is not available for a drug under the 340B program. This information would also be posted on the Department's website. The Commissioner would adopt rules and regulations to implement and administer the provisions of the bill no later than January 1, 2027.

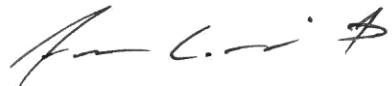
The Department of Insurance does not know how many hospitals in Kansas participate in the 340B program and therefore cannot estimate the additional workload. The Department is also unsure of how it would handle the requirement of naming a pricing source when a group

purchasing organization pricing is not available. For those reasons, the Department cannot estimate the fiscal effect of the bill.

The Department of Administration, Department for Aging and Disability Services, Department of Corrections, and Department of Health and Environment all state that the bill would not have a fiscal effect. Any fiscal effect associated with HB 2550 is not reflected in *The FY 2027 Governor's Budget Report*.

The Kansas Association of Counties and the League of Kansas Municipalities both state that the bill would not have a fiscal effect.

Sincerely,



Adam C. Proffitt
Director of the Budget

cc: Kyle Strathman, Department of Insurance
Wendi Stark, League of Kansas Municipalities
Jay Hall, Kansas Association of Counties
Leigh Keck, Department for Aging & Disability Services
Amy Penrod, Department of Health & Environment
Samir Arif, Department of Administration
Jennifer King, Department of Corrections