Session of 2026

SENATE BILL No. 423

By Senator Sykes

1-29

AN ACT concerning health insurance; relating to cost-sharing requirements; requiring certain cost-sharing assistance be applied toward a covered individual's deductible or annual out-of-pocket limit under the individual's health benefit plan.

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

Section 1. (a) As used in this section:

(1) "Cost-sharing requirement" means any copayment, coinsurance, deductible or annual limitation on cost sharing, including a limitation subject to 42 U.S.C. § 18022(c) or 42 U.S.C. § 300gg-6(b), required by or on behalf of a covered individual in order to receive a prescription drug covered by the covered individual's health benefit plan whether covered as a medical or pharmacy benefit.

(2) "Health benefit plan" means the same as defined in K.S.A. 40-2209d, and amendments thereto.

(3) "Health insurer" means the same as defined in K.S.A. 40-4602, and amendments thereto.

(4) "Pharmacy benefits manager" means a person, business or other entity that performs pharmacy benefits management. "Pharmacy benefits manager" includes any person or entity acting in a contractual or employment relationship for a pharmacy benefits manager in the performance of pharmacy benefits management for a covered entity. "Pharmacy benefits manager" does not include a covered insurance entity.

(5) "Pharmacy services administrative organization" means an entity operating within Kansas that contracts with one or more independent pharmacies to conduct business with third-party payers on behalf of such independent pharmacy to provide administrative services to the independent pharmacy and negotiate and enter into contracts with third-party payers or pharmacy benefits managers on behalf of the independent pharmacy.

(b) When calculating a covered individual's overall contribution to an out-of-pocket maximum or cost-sharing requirement under the covered individual's health benefit plan, a health insurer, pharmacy benefits manager or pharmacy administrative services organization shall include any amount paid by the covered individual or by another person on behalf of the covered individual for a prescription drug if:

(1) The prescription drug does not have a generic equivalent or, for a prescription drug that is a biological product, the prescription drug does not have a biosimilar drug, as defined in 42 U.S.C. § 262(i)(2), or an interchangeable biological product, as defined in 42 U.S.C. § 262(i)(3); or

(2) the prescription drug has a generic equivalent, a biosimilar drug or an interchangeable biological product and the covered individual is using the brand-name prescription drug after:

(A) Obtaining prior authorization from the carrier, pharmacy benefits manager or pharmacy administrative services organization;

(B) complying with a step-therapy protocol required by the health benefit plan, pharmacy benefits manager or pharmacy administrative services organization; or

(C) receiving approval from the health benefit plan, pharmacy benefits manager or pharmacy administrative services organization through such health benefit plan's, pharmacy benefit manager's or pharmacy administrative service organization's exceptions, appeal or review process.

(c) A covered individual shall not be required to comply with the utilization management processes described in article 22a of chapter 40 of the Kansas Statutes Annotated, and amendments thereto, including prior authorization and step-therapy protocol requirements, when such processes are otherwise prohibited under chapter 40 of the Kansas Statutes Annotated, and amendments thereto, or other applicable state law.

(d) If the application of subsection (b) would make a covered individual's health savings account contributions ineligible under 26 U.S.C. § 223, the provisions of subsection (b) shall apply to the deductible applicable to the covered individual's health benefit plan after the covered individual has satisfied the minimum deductible amount under 26 U.S.C. § 223. With respect to items or services that are preventive care pursuant to 26 U.S.C. § 223(c)(2)(C), the provisions of subsection (b) shall apply regardless of whether the minimum deductible under 26 U.S.C. § 223 has been satisfied.

(e) The commissioner shall adopt rules and regulations necessary to implement and administer the provisions of this section.

Sec. 2. This act shall take effect and be in force from and after its publication in the statute book.