

January 26, 2016

The Honorable Mary Pilcher-Cook, Chairperson  
Senate Committee on Public Health and Welfare  
Statehouse, Room 441-E  
Topeka, Kansas 66612

Dear Senator Pilcher-Cook:

SUBJECT: Fiscal Note for SB 341 by Senate Committee on Public Health and Welfare

In accordance with KSA 75-3715a, the following fiscal note concerning SB 341 is respectfully submitted to your committee.

SB 341 would establish the Step Therapy Program for Medicaid patients administered by the Kansas Department of Health and Environment, Division of Health Care Finance (DHCF). Step therapy is the practice of beginning drug therapy for a medical condition with the most cost-effective drug, allowing a progression to other more costly drugs, if needed.

Estimated State Fiscal Effect				
	FY 2016 SGF	FY 2016 All Funds	FY 2017 SGF	FY 2017 All Funds
Revenue	--	--	--	--
Expenditure	--	--	(\$10,600,000)	(\$24,173,318)
FTE Pos.	--	--	--	--

Passage of the bill would result in \$10.6 million in SGF savings for DHCF. The fiscal effect associated with SB 341 is included in *The FY 2017 Governor's Budget Report*.

Sincerely,



Shawn Sullivan,  
Director of the Budget

cc: Aaron Dunkel, Health & Environment  
Alexandra Blasi, Board of Pharmacy