

March 4, 2019

The Honorable Robert Olson, Chairperson
Senate Committee on Financial Institutions and Insurance
Statehouse, Room 236-E
Topeka, Kansas 66612

Dear Senator Olson:

SUBJECT: Fiscal Note for SB 217 by Senate Committee on Ways and Means

In accordance with KSA 75-3715a, the following fiscal note concerning SB 217 is respectfully submitted to your committee.

SB 217 would require the State Employee Health Plan to contract with any licensed pharmacist willing to accept the plan's contract terms.

Estimated State Fiscal Effect				
	FY 2019 SGF	FY 2019 All Funds	FY 2020 SGF	FY 2020 All Funds
Revenue	--	--	--	--
Expenditure	--	--	--	\$1,696,332
FTE Pos.	--	--	--	--

Currently, pharmacies can contract with the Pharmacy Plan Administrator of the State Employee Health Plan for all medications except the higher cost medications known as specialty medications. Members receive specialty medications from the designated specialty pharmacy. This program provides the health plan with better discounts on the price of these high cost medications. The Kansas Department of Health and Environment indicates SB 217 would increase costs to the plan by \$1.7 million for FY 2020 and by \$3.4 million for FY 2021 by reducing the savings currently in place. Any fiscal effect associated with SB 217 is not reflected in *The FY 2020 Governor's Budget Report*.

Sincerely,



Larry L. Campbell
Director of the Budget

cc: Dan Thimmesch, Health & Environment