

February 17, 2011

The Honorable Vicki Schmidt, Chairperson
Senate Committee on Public Health and Welfare
Statehouse, Room 552-S
Topeka, Kansas 66612

Dear Senator Schmidt:

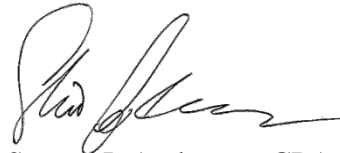
SUBJECT: Fiscal Note for SB 138 by Senate Committee on Public Health and Welfare

In accordance with KSA 75-3715a, the following fiscal note concerning SB 138 is respectfully submitted to your committee.

SB 138 would create the Pharmacy Audit Integrity Act. The bill includes the procedures that an agency conducting a pharmacy audit on behalf of an insurance company or pharmacy benefits manager would be required to follow. The agency conducting the audit would be required to provide a copy of the final report, including any money recouped in the audit, to the plan sponsor and the State Board of Pharmacy. The act would apply to contracts entered into, amended, extended, or renewed on or after January 1, 2011, but would not apply to any investigative audit that involves allegations of fraud or willful misrepresentation.

The Board of Pharmacy indicates that SB 138 would have no fiscal effect on state revenues or expenditures.

Sincerely,



Steven J. Anderson, CPA, MBA
Director of the Budget

cc: Debra Billingsley, Pharmacy