

February 18, 2015

The Honorable Scott Schwab, Chairperson
House Committee on Insurance
Statehouse, Room 151-S
Topeka, Kansas 66612

Dear Representative Schwab:

SUBJECT: Fiscal Note for HB 2176 by House Committee on Health and Human Services

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2176 is respectfully submitted to your committee.

HB 2176 would require any individual or group health insurance policy that provides prescription drug coverage to apply a prorated daily cost sharing rate to prescription drugs that are dispensed by a network pharmacy for less than a 30-day supply, if it is in the best interest of the patient. The bill would also prohibit the denial of coverage for dispensing of chronic medications for the purpose of synchronizing the filling or refilling of multiple prescriptions. The bill would prohibit insurance payment structures that incorporate prorated dispensing fees, as well. HB 2176 would require the Kansas Insurance Department to enforce these requirements.

The Kansas Insurance Department notes that HB 2176 would require it to enforce the provisions of the bill. Currently provider contracts are not required to be submitted to the Department and the bill does not add that requirement. It is not known whether the bill would cause a fiscal effect for government entities. It does appear to create a mandate on insurers which would have to be funded by the state of Kansas pursuant to federal law. The potential cost of this mandate cannot be estimated. Any fiscal effect associated with HB 2176 is not reflected in *The FY 2016 Governor's Budget Report*.

Sincerely,



Shawn Sullivan,
Director of the Budget

cc: Glenda Haverkamp, Insurance
Aaron Dunkel, Health & Environment