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Laura Kelly, Governor

February 16, 2023

The Honorable William Sutton, Chairperson House Committee on Insurance 300 SW 10th Avenue, Room 218-N Topeka, Kansas 66612

Dear Representative Sutton:

SUBJECT: Fiscal Note for HB 2283 by House Committee on Insurance

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2283 is respectfully submitted to your committee.

HB 2283 would create the Ensuring Transparency in Prior Authorizations Act. Starting no later than January 1, 2024, a utilization review entity would accept and respond to prior authorization requests under a pharmacy benefit through a secure electronic transmission and would use the National Council for Prescription Drug Programs scripts standards. Also, starting no later than January 1, 2024, a utilization review entity would accept and respond to prior authorization requests for healthcare services and would use a secure electronic portal at no cost to the healthcare provider. The bill also details other requirements of utilization review entities and appeals by healthcare providers.

Kansas Department of Insurance states that any additional expenditures created by the bill would be absorbed within existing resources. The Kansas State Board of Healing Arts states that the bill, if enacted, could have a negligible effect on agency expenditures which could be absorbed within its existing budget. The Judicial Branch states that the bill would not have a fiscal effect. Any fiscal effect associated with HB 2283 is not reflected in *The FY 2024 Governor's Budget Report*.

Sincerely,

Adam Proffitt

Director of the Budget

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cc: Bobbi Mariani, Insurance Department Alexandra Blasi, Board of Pharmacy Susan Gile, Board of Healing Arts Vicki Jacobsen, Judiciary