

April 29, 2016

The Honorable Daniel Hawkins, Chairperson
House Committee on Health and Human Services
Statehouse, Room 521-E
Topeka, Kansas 66612

Dear Representative Hawkins:

SUBJECT: Fiscal Note for HB 2720 by House Committee on Federal and State Affairs

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2720 is respectfully submitted to your committee.

HB 2720 would establish restrictions on step therapy protocols as administered through KanCare by the Kansas Department of Health and Environment (KDHE). The bill would require that a health insurer expeditiously grant a prescribing healthcare provider's request to override a step therapy protocol regarding a prescription drug required by the health insurer in the following situations:

1. The prescription drug is contraindicated for the patient or is likely to cause an adverse reaction including possible physical or mental harm;
2. The prescription drug is expected to be ineffective;
3. The patient has previously tried and discontinued the required drug because it was ineffective or had adverse physical or mental health effects;
4. The patient is stable on a different prescription drug selected by the patient's healthcare provider; and,
5. The prescription drug would not be in the best interests of the patient based on a determination made by the patient's healthcare provider.

A health insurer would be required to respond and render a decision on a prescribing healthcare provider's request to override a step therapy protocol, or an appeal related to such a request, within 72 hours of receiving the request. If the healthcare provider indicates that the request or appeal involves exigent circumstances, the health insurer must respond within 24 hours of receiving the request. Should the health insurer not respond within the time limits established in HB 2720, the appeal or request would be considered to be granted. The bill would take effect and be in force from and after its publication in the statute book.

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The Kansas Department of Health and Environment (KDHE) has been contacted regarding the fiscal effect of HB 2720. At this time, KDHE is unable to estimate any fiscal effect resulting from the passage of the bill. If further information regarding the fiscal effect of the bill is received by the Division of the Budget, a revised fiscal note will be issued. Any fiscal effect associated with HB 2720 is not reflected in *The FY 2017 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Shawn Sullivan", with a horizontal line extending to the right.

Shawn Sullivan,
Director of the Budget

cc: Aaron Dunkel, Health & Environment
Cathy Brown, Board of Healing Arts