

February 24, 2011

The Honorable Clark Shultz, Chairperson  
House Committee on Insurance  
Statehouse, Room 166-W  
Topeka, Kansas 66612

Dear Representative Shultz:

**SUBJECT:** Fiscal Note for HB 2136 by House Committee on Health and Human Services

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2136 is respectfully submitted to your committee.

HB 2136 would prohibit any individual or insurance organization that provides coverage for accident and health services that is amended or renewed on or after July 1, 2011 from imposing cost-sharing, deductibles or coinsurance obligations for any prescription medication the exceeds the dollar amount of cost-sharing, deductibles or coinsurance obligations for non-preferred brand medication or its equivalent, or brand medications if there is no non-preferred brand medication category. The same would be true for any employer, labor organization, insurer, health maintenance organization or other entity to limit health care coverage such that cost-sharing, deductibles or coinsurance obligations for any category of non-preferred brand medication or its equivalent, or brand medication if there is no non-preferred brand medication category. The restriction would not apply to any self-insured employee welfare benefit plan, as defined in the Employee Retirement Income Security Act of 1974, as amended.

Passage of the bill would have no fiscal effect on the Kansas Insurance Department, the Kansas State Board of Pharmacy, or the Kansas Health Policy Authority; however, the Authority states that the bill would limit the ability of a plan to make additional cost sharing tier changes in the future, and that could alter member cost sharing. The effect on local governments would depend on their current coverage of pharmacy benefits. For self-funded plans, the additional cost of coverage would be paid by local governments.

Sincerely,



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

cc: Scott Brunner, Health Policy Authority  
Zac Anshutz, Insurance  
Debra Billingsley, Pharmacy