

February 17, 2015

The Honorable Mary Pilcher-Cook, Chairperson
Senate Committee on Public Health and Welfare
Statehouse, Room 441-E
Topeka, Kansas 66612

Dear Senator Pilcher-Cook:

SUBJECT: Fiscal Note for SB 181 by Senate Committee on Public Health and Welfare

In accordance with KSA 75-3715a, the following fiscal note concerning SB 181 is respectfully submitted to your committee.

SB 181 would make two changes to current law regarding pharmaceutical coverages in Medicaid. The first change would be the creation of a drug hold on new to market drugs as determined necessary by the Secretary of the Kansas Department of Health and Environment (KDHE). The second change would be to allow the decisions of the Drug Utilization Review Board to be considered as final regulation for the purposes of prior authorization criteria.

KDHE states that all changes to revenue and expenditures that would result from SB 181 have been included in the Governor's Budget Recommendations for FY 2016 and FY 2017. If the bill is not enacted, the budget for KanCare would have to be increased by \$17.4 million per year, including \$7.5 million from the State General Fund in FY 2016 and \$7.7 million from the State General Fund in FY 2017. The remainder of the additional needed expenditures would come from federal Medicaid funds.

Sincerely,



Shawn Sullivan,
Director of the Budget

cc: Aaron Dunkel, Health & Environment