

SESSION OF 2019

**SUPPLEMENTAL NOTE ON SENATE BILL NO. 231**

As Recommended by Senate Committee on  
Public Health and Welfare

**Brief\***

SB 231 would require all moneys received by the Kansas Department of Health and Environment (KDHE) from drug rebates associated with medical assistance enrollees to be deposited to the credit of the State General Fund (SGF) and would require the amount deposited to be included in monthly SGF receipt reports published by the Legislative Research Department.

The bill would require KDHE to remit all moneys received from drug rebates associated with medical assistance enrollees to the State Treasurer in accordance with continuing law. Upon receipt of such remittance, the State Treasurer would be required to deposit the entire amount into the State Treasury to the credit of the SGF.

KDHE would be required to certify the amount received from drug rebates associated with medical assistance enrollees on a monthly basis and to transmit the certification to the Director of Legislative Research and to the Director of the Budget. The Director of Legislative Research would be required to include the certified amount on any monthly report prepared by the Legislative Research Department that details SGF receipts as a separate line item titled "drug rebates" under a category of other revenue sources.

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\*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

## **Background**

The bill was introduced by the Senate Committee on Ways and Means at the request of Senator Denning. In the Senate Committee on Public Health and Welfare hearing, Senator Denning provided proponent testimony, stating the bill was necessary to provide transparency and better track the amount of drug rebate revenue received by KDHE. No other testimony was provided.

According to the fiscal note prepared by the Division of the Budget on the bill, as introduced, KDHE indicates if the agency receives a SGF appropriation to replace the fee fund revenue, there would be no fiscal effect on expenditures of the agency. Any fiscal effect associated with the bill is not reflected in *The FY 2020 Governor's Budget Report*. The fiscal note was issued after the Senate Committee took action on the bill.