

February 17, 2021

The Honorable Brenda Landwehr, Chairperson
House Committee on Health and Human Services
Statehouse, Room 352C-S
Topeka, Kansas 66612

Dear Representative Landwehr:

SUBJECT: Fiscal Note for HB 2280 by House Committee on Health and Human Services

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2280 is respectfully submitted to your committee.

HB 2280 would make the following amendments to the Kansas Pharmacy Act:

1. Permitting the Board of Pharmacy to charge additional fees for inspections of specific facilities;
2. Requiring the Board to develop rules and regulations for operating a telepharmacy in Kansas;
3. Updating multiple definitions and defining “virtual manufacturer” and “virtual wholesale distributor”;
4. Updating the Board’s disciplinary authority;
5. Permitting the Board to expunge minor violations from a license or registration record;
6. Limiting the maximum number of attempts for pharmacy practice and pharmacy law examinations for applications;
7. Permitting Pharmacy Technicians to receive orders for continuation therapy from a prescriber;
8. Permitting pharmacists to exercise prescription adaptation for non-controlled medications;
9. Adding a non-resident facility application fee;
10. Increasing fee maximums for most original and renewal applications;

11. Permitting a pharmacy to forward an original, unfilled prescription to another pharmacy at the request of the patient which is consistent with federal requirements; and
12. Updating the Board's authority to assess civil fines for violations of the Act and allowing the Board to retain all collected civil fines.

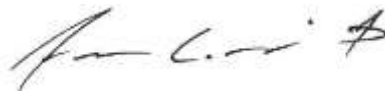
According to the Board of Pharmacy, the agency has been planning for the bulk of the changes reflected in HB 2280 for several years. Expenses have been budgeted and no increase in expenditures is anticipated. Any changes to the Board's current Licensing and Compliance divisions would be offset by revenue from applications and reimbursement of actual costs of inspections and investigations. All other changes have been contemplated by the Board, incorporated into the Board's current five-year strategic plan, and could be absorbed within existing agency staff.

The Board does not anticipate there would be a significant number of telepharmacy registrations. However, those facilities would be required to apply for registration with the Board and pay application and annual renewal fees to offset agency expenditures.

The bill would direct depositing administrative fine revenue to the State Board of Pharmacy Fee Fund rather than depositing into the State General Fund. The Board estimates the maximum reduction to State General Fund revenue and the maximum increase to State Board of Pharmacy Fee Fund revenue would be \$80,000.

The Board estimates the bill could result in additional revenue of \$399,867 for the State Board Pharmacy Fee Fund. This amount includes \$284,267 from planned increases to existing regulatory fees plus \$115,600 from the new non-resident facility renewal fee. The Board indicates there are currently 2,312 non-resident facilities. The estimate of revenue from the non-resident facility renewal fee assumes that all current non-resident facilities renew in FY 2022. While the bill allows for a maximum renewal fee of \$250, the Board plans to adopt a renewal fee of approximately \$50 in FY 2022. The Board is unable to estimate the number of new non-resident facility applications and, therefore, the amount of revenue that would result from the new non-resident facility application fees is unknown. The Board notes that increases in statutory fee maximums will not have an impact on Pharmacy Fee Fund revenue until the Board amends current fees by rule and regulation. Any fiscal effect associated with HB 2280 is not reflected in *The FY 2022 Governor's Budget Report*.

Sincerely,



Adam Proffitt
Director of the Budget

cc: Alexandra Blasi, Board of Pharmacy