

February 3, 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 2157 by House Committee on Health and Human Services

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2157 is respectfully submitted to your committee.

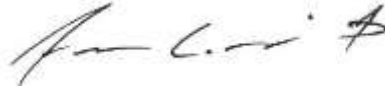
HB 2157 would require health insurance plans to consider available recognized evidence-based and peer-reviewed clinical practice guidelines when establishing a step therapy protocol. Step therapy protocol is defined as a protocol or program that establishes the specific sequence in which prescription drugs for a specified medical condition, including self-administered and physician-administered drugs, are medically appropriate for a particular patient and are covered under a health insurance plan.

The bill would require a clear, readily accessible and convenient process to request a step therapy exception and outlines when a health insurance plan would grant an override to the step therapy protocol. The patient or prescriber could appeal the denial of a step therapy exception. A health insurance plan could require a patient to try a generic equivalent drug prior to providing coverage for equivalent branded prescription drugs. The bill would not mandate coverage for prescription medication if the coverage is not already a covered benefit by the patient's health insurance plan.

The Department of Administration estimates enactment HB 2157 would increase costs to the State Employee Health Plan by \$2.6 million from special revenue funds in FY 2022. The estimate assumes a first-year annual cost increase of \$5.2 million. However, because the bill's provisions would not go into effect until January 1, 2022, only half of the annual cost would apply to FY 2022. The Department estimates the cost would increase to \$5.6 million in FY 2023 which assumes a cost and usage increase of \$442,000 or 8.5 percent.

The Insurance Department states that enactment of the bill would have no fiscal effect on Department operations. Any fiscal effect associated with HB 2157 is not reflected in *The FY 2022 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam Proffitt", with a stylized flourish at the end.

Adam Proffitt  
Director of the Budget

cc: Bobbi Mariani, Insurance  
Jeff Scannell, Department of Administration