



Highlights of SB360

The Kansas Consumer Prescription Protection & Accountability Act

Section 1: Pharmacy audit protections

- Auditors cannot be paid based solely on claims or recoupments, reducing perverse incentives.
- Minimum of 14 calendar days' prior written notice for PBM audits of pharmacies.
- No audits initiated first five days of any month for pharmacies averaging over 600 weekly scripts without pharmacy's express consent.

Section 2: Registration of auditing entities

- Mandatory registration. No person may conduct pharmacy audits without registering with the commissioner.

Section 3: PBM reporting and transparency

- Annually, PBMs must report to the KDOI:
 - Rebates the PBM received and passed on to each health plan.
 - Amount paid by a health plan to the PBM for pharmacy services.
 - Amount PBM paid the pharmacy for pharmacy services.
- Quarterly, PBMs must report to the KDOI:
 - All drugs on the NADAC list reimbursed 10% and below the NADAC.
 - All drugs on the NADAC list reimbursed 10% and above the NADAC.
 - The months the drugs were dispensed.
 - Amount pharmacies were reimbursed for the drugs.
 - Whether the pharmacy was an affiliate of the PBM.
 - Whether the drug dispensed was for a government health plan.
 - The NADAC for the month the drug was dispensed.
 - A copy of the quarterly report must be published on the PBM's website for at least 24 months.
- Annually, health plans must report to the KDOI:
 - Rebates, credits, discounts, or other payments to the health plan from a PBM or drug manufacturer and disclose to what extent were those translated into reduced premiums or rates.

Section 4: Oversight and examinations of PBMs

- The Commissioner has general examination authority to ensure PBM compliance.

Section 5: Reimbursement and fees

- Floor for pharmacy reimbursement: PBMs must reimburse at least NADAC plus the greater of a \$10.50 professional dispensing fee or the Medicaid dispensing fee set by K.S.A. 39-708c and K.A.R. 30-5-94; if NADAC is unavailable, at least WAC plus the greater of \$10.50 or the Medicaid dispensing fee set by K.S.A. 39-708c and K.A.R. 30-5-94.
- PBMs cannot reimburse a pharmacy less than they reimburse themselves or affiliates for the same drug/service.
- The Commissioner can order a PBM to reimburse a pharmacy who incurs a monetary loss due to a violation
- PBMs may not impose point-of-sale or retroactive fees or derive revenue from pharmacies/insureds related to PBM services; preserves processing of plan-approved deductibles/copays.
- PBMs must charge health plans the same price they pay pharmacies.
- 100% rebate pass through.

Section 6: Severability

- Severability clause.

Section 7-19: Licensure, enforcement, definitions

- Grounds for discipline expanded. Fraud/misrepresentation, rule/order violations, fraudulent activity, failure to furnish information or cooperate with examinations, noncompliance with law, late renewals, failure to submit required reports; corrective action plan option in lieu of denial; penalties supplemental to other remedies.