Kansas Pharmacists Association // 2026 Annual Meeting & Trade Show August 26-30 // Wichita, KS

KANSAS CONSUMER PRESCRIPTION AND ACCOUNTABILITY ACT: AN OVERVIEW

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DISCLOSURES

Faculty

Faculty has no relevant financial relationship(s) with ineligible companies to disclose.

Planners

None of the planners for this activity have any relevant financial relationships with ineligible companies to disclose.

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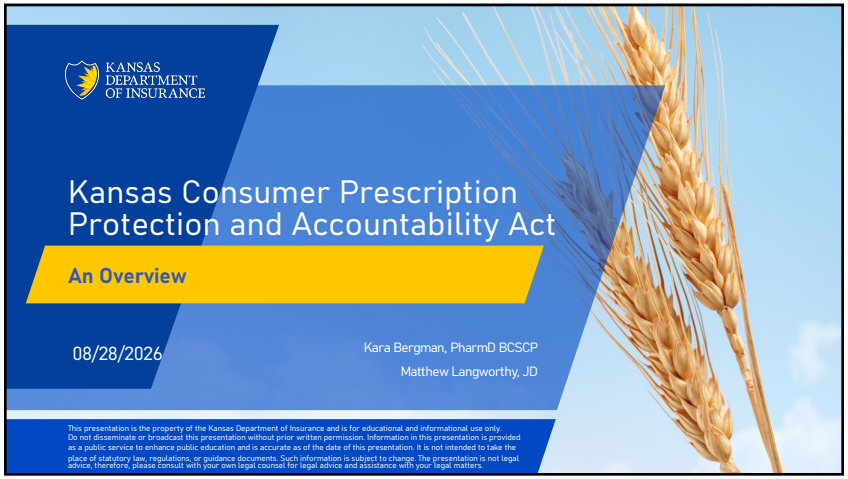

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Objectives

1. Implement the provisions of SB 20 that are applicable to pharmacy practice in Kansas
2. Utilize the Kansas Department of Insurance's Reimbursement Complaint Process
3. Prepare for pharmacy audits by understanding the rights afforded to pharmacies in SB 20
4. Identify key Kansas Department of Insurance staff who are handling the implementation and regulation of SB 20

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SB 20 at a Glance

- Signed into law April 9, 2026
- Effective July 1, 2026
- Establishes a new regulatory framework for Pharmacy Benefit Managers (PBMs)
- Provides requirements governing:
  - PBM Reimbursement
  - PBM contracts and practices
  - Pharmacy audits
  - Auditing entities
  - Department examination and enforcement
- Administered by the Kansas Department of Insurance (KDOI)

Who does SB 20 Apply To?

PBMs

SB 20 establishes requirements for PBMs operating in Kansas, including licensing and regulatory oversight.

Auditing Entities

A person or entity operating as a pharmacy auditing entity under SB 20 must register with the Department.

Health Plans

Requires reporting of rebates received from the PBM.

Important to note self-funded ERISA plans are excluded from SB 20 reimbursement requirements

Pharmacies

Affected by PBM reimbursement practices and pharmacy audits.

Pharmacy Reimbursement

For applicable prescriptions and pharmacy services, SB 20 establishes a reimbursement floor based on:

National Average Drug Acquisition Cost (NADAC)

PLUS

$10.50

If NADAC is unavailable at the time the drug is dispensed, SB 20 provides an alternative methodology based on Wholesale Acquisition Cost (WAC).

Patient Cost

Whether or not the patient will see a change in their prescription out of pocket expense depends on several factors, including:

- The cost-sharing requirements of their health plan.
- The amount of the dispensing fee paid before July 1, 2026.
- The reimbursement methodology used by the PBM, including the transition from Maximum Allowable Cost (MAC) to NADAC or WAC pricing.
- Whether the health plan chooses to apply any rebates they receive from the PBM to reduce the cost-sharing for the patient at the point of sale.

PBM Reimbursement Methodology

SB 20 requires a PBM to file its reimbursement methodology with the Department:

- Initial license; and
- When the methodology changes

The methodology must comply with SB 20's reimbursement requirements.

Pharmacy Takeaway:

Focus on claim level data.

Claim ➔ Reimbursement ➔ Applicable statutory standard ➔ Supporting documentation ➔ Complaint

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When Should a Pharmacy Contact KDOI?

A pharmacy may have a basis for a complaint when it believes a PBM has violated SB 20.

Examples May Include:

- Potential reimbursement below the statutory standard.
- Improper PBM reimbursement practices.
- Potential violations involving pharmacy audits.
- Other alleged violations of the Kansas Consumer Prescription Protection and Accountability Act.

KDOI's Role:

Investigate complaints and enforce applicable Kansas insurance law.

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KDOI Complaint Process

Step 1- Identify the Issue

What happened?

- No dispensing fee paid
- Below NADAC/WAC

Step 2- Gather documentation

Including:

- Claim Information- Drug, quantity, NDC, etc.
- Reimbursement information- Total amount paid, dispensing fee, etc.

Step 3- Complete the KDOI Complaint Form

- https://www.insurance.kansas.gov/companies/kansas-consumer-prescription-protection-and-accountability-act

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KDOI Complaint Process

For pharmacist complaints:

- Use the pharmacy's designated contact person.
- Select Individual Health as the insurance type.
- Select Unsatisfactory Settlement/Offer when the complaint concerns reimbursement.
- Attach the required Reimbursement Complaint Spreadsheet.
- Attach any other supporting documentation.

DO NOT include patient health information (PHI) in the complaint.

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SB 20 Pharmacy Audit Protections

SB 20 establishes significant requirements to govern pharmacy audits.

Protections include but are not limited to:

- At least 14 calendar days' written notice before an audit, unless the parties agree otherwise.
  - If pharmacy requests a delay, then shall provide notice to the auditing entity within 72 hours of receiving notice of the audit.
- Deliver final report to the pharmacy within 90 calendar days upon completion of the audit.
- Keep information collected during a pharmacy audit confidential.
- An auditing entity cannot recoup or collect penalties until the appeal period has expired or the appeals process has been exhausted.
- Limits apply to audit scope and methodology.

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Audit Scope Limitations

SB 20 establishes limitations for certain pharmacy audits.

Clinical Audits

A pharmacy audit involving clinical judgement must be conducted by or in consultation with a pharmacist.

Such an audit generally may not cover:

- More than 24 months after the claim submission date; or
- More than 250 prescriptions

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What Documentation Can the Pharmacy Use?

SB 20 allows pharmacies to use authentic and verifiable record to validate claims.

Examples include:

- Medication administration records
- Nursing home records
- Assisted living facility records
- Hospital records
- Records from health care providers with prescriptive authority

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What Documentation Can the Pharmacy Use?

SB 20 allows pharmacies to use authentic and verifiable record to validate claims.

Examples include:

- Valid prescriptions
- Facsimiles
- Electronic prescription
- Electronically stored prescription images
- Electronic annotations
- Documentation of telephone communications with prescribers or their agents

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Audit Recoupments and Chargebacks

SB 20 limits when an auditing entity may seek a fine, chargeback, recoupment or other adjustment.

Generally, one or more specified circumstance(s) must exist, including:

- Fraud or intentional/willful misrepresentation
- Dispensing in excess of the plan benefit
- Failure to fill in accordance with the prescriber's order
- An actual underpayment or overpayment

Any adjustment is limited to the actual financial harm associated with the dispensed product or the actual underpayment/overpayment.

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Audit Protections: What Auditors May NOT Do

SB 20 prohibits or limits certain practices.

An auditing entity may not:

- Base auditor compensation solely on amounts claimed or recouped.
- Use extrapolation to calculate penalties or recoupments unless otherwise required by federal law.
- Include dispensing fees when calculating overpayments unless the prescription is considered a misfill.
- Recoup amounts before the applicable appeal period/process has concluded.
- Seek an adjustment beyond the actual financial harm or actual underpayment/overpayment, subject to statutory exceptions.

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Questions?
Thank you for your time!
Presentation by
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08/28/2026
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