

February 21, 2014

The Honorable David Crum, Chairperson  
House Committee on Health and Human Services  
Statehouse, Room 512-N  
Topeka, Kansas 66612

Dear Representative Crum:

**SUBJECT:** Fiscal Note for HB 2671 by House Committee on Health and Human Services

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2671 is respectfully submitted to your committee.

HB 2671 would amend the Pharmacy Integrity Audit Act to clarify certain requirements for auditing firms and pharmacies. Those clarifications would include:

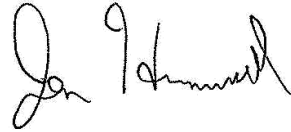
1. Auditing firms conducting on-site pharmacy audits in Kansas can cover a period of two years from the date the claim was submitted;
2. Auditors must notify the pharmacy of their intention to conduct an audit;
3. Pharmacies can ask for extensions not to exceed seven days;
4. Pharmacies are allowed to use another health care provider's records to validate their own record; and
5. Auditing firms must use the same standards and parameters as other similarly situated pharmacies and apply no greater standards than those required by law and the Board of Pharmacy.

The bill would give an aggrieved party a remedy in district court for damages or injunctive relief for violations of the act. The penalty for violations would be a Class C Misdemeanor.

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The Board of Pharmacy indicates that HB 2671 would have no fiscal effect on its operations.

Sincerely,

A handwritten signature in black ink, appearing to read "Jon Hummell". The signature is written in a cursive style with a large initial "J" and "H".

Jon Hummell,  
Interim Director of the Budget

cc: Debra Billingsley, Board of Pharmacy