

## 2016 Kansas Statutes

**40-3822. Same; definitions.** For purposes of this act: (a) "Commissioner" means the commissioner of insurance as defined by K.S.A. 40-102, and amendments thereto.

(b) (1) "Covered entity" means:

- (A) A nonprofit hospital or medical service corporation, health insurer, health benefit plan or health maintenance organization;
- (B) a health program administered by a department or the state in the capacity of provider of health coverage; or
- (C) an employer, labor union or other group of persons organized in the state that provides health coverage to covered individuals who are employed or reside in the state.

(2) Covered entity shall not include any:

- (A) Self-funded plan that is exempt from state regulation pursuant to ERISA;
- (B) plan issued for coverage for federal employees; or
- (C) health plan that provides coverage only for accidental injury, specified disease, hospital indemnity, medicare supplement, disability income, long-term care or other limited benefit health insurance policies and contracts.

(c) "Covered person" means a member, policyholder, subscriber, enrollee, beneficiary, dependent or other individual participating in a health benefit plan.

(d) "Pharmacy benefits management" means:

(1) Any of the following services provided with regard to the administration of the following pharmacy benefits:

- (A) Mail service pharmacy;
- (B) claims processing, retail network management and payment of claims to pharmacies for prescription drugs dispensed to covered individuals;

(C) clinical formulary development and management services;

(D) rebate contracting and administration;

(E) certain patient compliance, therapeutic intervention and generic substitution programs; or

(F) disease management programs involving prescription drug utilization; and

(2) (A) the procurement of prescription drugs by a prescription benefits manager at a negotiated rate for dispensation to covered individuals within this state; or

(B) the administration or management of prescription drug benefits provided by a covered insurance entity for the benefit of covered individuals.

(e) "Pharmacy benefits manager" means a person, business or other entity that performs pharmacy benefits management. Pharmacy benefits manager includes any person or entity acting in a contractual or employment relationship for a pharmacy benefits manager in the performance of pharmacy benefits management for a covered entity.

The term "pharmacy benefits manager" shall not include a covered insurance entity.

(f) "Person" means an individual, partnership, corporation, organization or other business entity.

**History:** L. 2006, ch. 154, § 2; Apr. 27.