Kansas Department of Insurance

Commissioner Vicki Schmidt

MEMORANDUM

Date: August 27, 2026

RE: Timing of implementation of the Kansas Consumer Prescription Protection and Accountability Act

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The provisions of SB 20, the Kansas Consumer Prescription Protection and Accountability Act, become effective on July 1, 2026. SB 20 does not contain a delayed effective date in whole or in part. Also, SB 20 does not include a look back to farther in the past than July 1, 2026. However, the Department understands that implementation of certain provisions of SB 20 may take time and is not instantaneous. This guidance applies to reporting, pricing, compliance and licensing/registration.

- **Reporting** - The first quarterly report, for the quarter ending September 30, 2026, will be due on or before 30 days after the end of the quarter. Annual Reports, both by PBMs and Plans shall be due within 30 days of the end of each calendar year. The Department will provide specific reporting templates and submission information in advance of that date.

- **Pricing** - The pricing components of SB 20 (Section 5), including the NADAC plus the $10.50 dispensing fee become effective, pursuant to SB 20, on July 1, 2026. With the understanding that implementation may take time to complete, the Department requires the pricing components of SB 20 (Section 5) be fully implemented no later than October 1, 2026. For the time period between July 1, 2026, and October 1, 2026, PBMs will be responsible for tracking and look-back compliance of those pricing differences. After, October 1, 2026, the Department may implement examinations to determine compliance by PBMs with look-back pricing reconciliation pursuant to New Section 4 and K.S.A. 40-222 as amended by SB 20.

- **Compliance and Enforcement** - The Department's complaint process will be effective as of July 1, 2026. Enforcement of the pricing components of SB 20 described above may be subject to examination pursuant to the Department's authority under K.S.A. 40-222 and Section 4 of SB 20 to ensure compliance with the July 1, 2026, implementation and compliance requirements. Complaint forms will be posted to the Department's website once they are finalized.

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- **Licensing** – The Department will not lapse current PBM licenses on July 1, 2026. Instead, to comply with the added information requirements in K.S.A. 40-3823 and K.S.A. 40-3824 as amended by SB 20 related to PBM licensing and renewal, the Department will send a request for updates to each licensed PBM for the new components to allow compliance with the requirements of the act. An updated PBM licensure application will be added to the Department's website once finalized.

- **Registration of Auditing Entities** – A completed registration and accompanying registration fee is required for each entity performing pharmacy audits. The Department will provide access to the registration form prior to the July 1, 2026, implementation date of the Act and will allow a reasonable compliance time for initial registration. Annual renewal of auditing entities is March 31st of each calendar year thereafter. The registration application for auditing entities will be posted to the website once finalized.

- **Notice on Dispensing Fees** – Whether a covered person will pay any additional amount for a prescription at the point of sale after July 1, 2026, based upon section 5 (a)(2), will depend on:
  - The terms of cost sharing under the plan.
  - The amount of the pre-July 1, 2026, dispensing fee for the prescription.
  - Any change in the reimbursement methodology utilized by the pharmacy benefit manager (the change from Maximum Allowable Cost (MAC) to National Average Drug Acquisition Cost (NADAC) or Wholesale Acquisition Cost (WAC) pricing).
  - Whether the Kansas health plan chooses to reduce the defined cost sharing by any available rebates at the point of sale under section 5 (d).

Additional guidance, as well as updated forms and compliance documents, will be added to the Department's website at www.insurance.kansas.gov/companies/kansas-consumer-prescription-protection-and-accountability-act as it becomes available.

Questions can be directed to kdoi.pbm@ks.gov.

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