

2023 Kansas Statutes

40-3823. Licensure; application; required information; fee; material changes in information; confidentiality of documents. (a) No person shall act or operate as a pharmacy benefits manager without first obtaining a valid license issued by the commissioner.

(b) Each person seeking a license to act as a pharmacy benefits manager shall file with the commissioner an application for a license upon a form to be furnished by the commissioner. At a minimum, the application form shall include the following information:

- (1) The name, address and telephone number of the pharmacy benefits manager.
 - (2) The name, address, official position and professional qualifications of each individual who is responsible for the conduct of the affairs of the pharmacy benefits manager, including all members of the board of directors, board of trustees, executive committee, other governing board or committee, the principal officers in the case of a corporation, the partners or members in the case of a partnership or association.
 - (3) The name and address of the applicant's agent for service of process in the state.
 - (4) The name, address, phone number, email address and official position of the employee who will serve as the primary contact for the department.
 - (5) A copy of the pharmacy benefits manager's corporate charter, articles of incorporation or other charter document.
 - (6) A template contract, which shall include a dispute resolution process, that ultimately involves an independent fact finder between:
 - (A) The pharmacy benefits manager and the health insurer; or
 - (B) the pharmacy benefits manager and the pharmacy or a pharmacy's contracting agent.
 - (7) A network adequacy report on a form prescribed by the department through rules and regulations.
- (c) A nonrefundable application fee of \$2,500.
- (d) The licensee shall inform the commissioner, by any means acceptable to the commissioner, of any material change in the information required by this subsection within 90 days of such change. Failure to timely inform the commissioner of a material change may result in a penalty against the licensee in the amount of \$500.
- (e) Within 90 days after receipt of a completed application, the network adequacy report and the applicable license fee, the commissioner shall review the application and issue a license if the applicant is deemed qualified under this section. If the commissioner determines that the applicant is not qualified, the commissioner shall notify the applicant and shall specify the reason for the denial.
- (f) (1) All documents, materials or other information and copies thereof in the possession or control of the department or any other governmental entity that are obtained by or disclosed to the commissioner or any other person in the course of an application, examination or investigation made pursuant to this act shall be confidential by law and privileged, shall not be subject to any open records, freedom of information, sunshine or other public record disclosure laws, and shall not be subject to subpoena or discovery.
- (2) The provisions of paragraph (1) shall only apply to the disclosure of the confidential documents described in paragraph (1) by the department or any other governmental entity and shall not be construed to create any privilege in favor of any other party.
- (3) The provisions of this subsection shall expire on July 1, 2027, unless the legislature reviews and reenacts this provision pursuant to K.S.A. 45-229, and amendments thereto, prior to July 1, 2027.

History: L. 2006, ch. 154, § 3; L. 2022, ch. 44, § 4; July 1.