

Guidance on Alternative Funding Programs (AFP)

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An Alternative Funding Program (AFP) is a third-party entity that works with employer-sponsored health plans to identify alternative ways to cover high-cost specialty drugs for plan participants. AFPs are not typically registered as a pharmacy; instead, they work with PBMs to obtain prescriptions for patients through alternative means. Alternative means can include patient assistance programs (PAPs), international importation, co-pay assistance programs, or coupons directly from drug manufacturers.

- **Guidance:** It is unlawful to dispense or distribute drugs or devices in Kansas without being licensed or registered with the Kansas Board of Pharmacy or the Kansas Board of Healing Arts.
 - **Statute:** K.S.A. 65-1626(n) “Deliver” or “delivery” means the actual, constructive or attempted transfer from one person to another of any drug whether or not an agency relationship occurs.
 - **Statute:** K.S.A. 65-1626(q) “Dispense” or “dispensing” means to deliver prescription medication to the ultimate user or research subject by or pursuant to the lawful order of a practitioner or pursuant to the prescription of a mid-level practitioner, including, but not limited to, delivering prescription medication to a patient by mail, common carrier, personal delivery or third-party delivery to any location requested by the patient.
 - **Statute:** K.S.A. 65-1626(r) “Dispenser” means: (1) A practitioner or pharmacist who dispenses prescription drugs or devices or a physician assistant who has authority to dispense prescription-only drugs in accordance with K.S.A. 65-28a08(b), and amendments thereto; or (2) a retail pharmacy, hospital pharmacy or group of pharmacies under common ownership and control that do not act as a wholesale distributor.
 - **Statute:** K.S.A. 65-1626(s) “Distribute” or “distribution” means to deliver, offer to deliver, sell, offer to sell, purchase, trade, transfer, broker, give away, handle, store or receive, other than by administering or dispensing, any product, but does not include dispensing a product pursuant to a prescription executed in accordance with 21 U.S.C. § 353 or the dispensing of a product approved under 21 U.S.C. § 360b.
 - **Statute:** K.S.A. 65-1635(a) Nothing contained in the pharmacy act of the state of Kansas shall prohibit any duly licensed practitioner from purchasing and keeping drugs, from compounding prescriptions or from administering, supplying or dispensing to such practitioner’s patients such drugs as may be fit, proper, and necessary.