



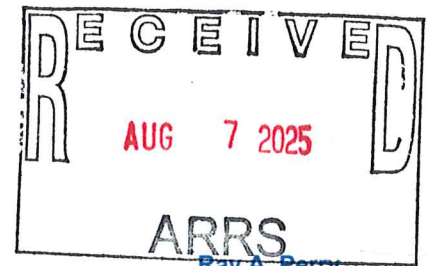
Andy Beshear
GOVERNOR

Jacqueline Coleman
LIEUTENANT GOVERNOR

PUBLIC PROTECTION CABINET

**Kentucky Department of
Insurance**

500 Mero Street, 2SE11
Frankfort, KY 40601
Phone: (502) 564-3630
Toll Free: (800) 595-6053



Ray A. Perry
SECRETARY

DJ Wasson
DEPUTY SECRETARY

Sharon P. Clark
COMMISSIONER

August 7, 2025

Senator Stephen West, Co-Chair
Representative Derek Lewis, Co-Chair
c/o Emily Caudill, Regulation Compiler
Administrative Regulation Review
Legislative Research Commission
083 Capitol Annex
Frankfort, KY 40601

RE: 806 KAR 9:360 Pharmacy Benefit Manager License

Dear Co-Chairs West and Lewis:

After consideration of the issues raised by 806 KAR 9:360, the Kentucky Department of Insurance proposes the attached agency amendment to 806 KAR 9:360.

Sincerely,

Shaun T. Orme, Executive Advisor
Kentucky Department of Insurance
Public Protection Cabinet
500 Mero Street, 2 SE 11
Frankfort, Kentucky 40601

SUMMARY OF AGENCY AMENDMENT 806 KAR 9:360

This Agency Amendment is removing the requirement that pharmacy benefit managers (PBMs) that only provide services to workers' compensation plans pay the \$10,000 registration fee. 2024 Regular Session Senate Bill 188 increased the regulatory oversight of PBMs. However, the Bill's requirements are not applicable to workers' compensation plans. There are PBMs that only provide services to workers' compensation plans. Therefore, PBMs that only provide services to workers' compensation plans are not subject to the enhanced regulatory oversight and should not be required to pay the registration fee.

Final, 8-7-2025

AGENCY AMENDMENT

PUBLIC PROTECTION CABINET
Department of Insurance
Division of Health, Life, Managed Care

806 KAR 9:360. Pharmacy Benefit Manager License.

NOTE TO COMPILER: Make changes in Staff Amendment (Suggested Substitute) first, and then make changes as directed in this Agency Amendment to the Suggested Substitute.

Section 2(3)(b)

After "(b)", insert "1.".

After "March 31.", insert the following:

2. Notwithstanding subparagraph 1. of this paragraph, a pharmacy benefit manager that solely provides services for a workers' compensation plan shall not pay the registration fee of \$10,000.

Section 4(1)

After "PBM,", insert "1/2025".

Delete "10/2024".

At the time that the agency files this agency amendment, it needs to file one (1) clean copy of the following:

- The "Pharmacy Benefit Manager License Application" that:
 - Includes an updated edition date of 1/2025 on all pages of the form
 - Page 1 - Corrects the typo in the center header so the Web site link is <https://insurance.ky.gov>
 - Page 3 – Change "must" to shall" in Section 5 header
 - In the First and final paragraphs change "should" to "shall"
 - Clarify in No. 14. that a pharmacy benefit manager that solely provides services for a workers' compensation plan shall not pay the registration fee of \$10,000 and only pays the \$1,000 licensing fee.
 - Page 4 – Change "Must" to "Shall" in Section 6, final sentence before signature
- REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT
 - Uses latest version for all of the agency's answers
 - Updates an answer to Question 10 to indicate Tiering is applied because pharmacy benefit plans that only provide services to workers' compensation plans will not be required to pay the \$10,000 annual registration fee.
- FISCAL IMPACT STATEMENT
 - Uses the latest version for all of the agency's answers
 - Updates answers changing the revenue figure from \$570,000 to \$660,000, and include the increase from 57 to 70 licensed pharmacy benefit managers
 - Updates answers to indicate the impact of the increased fee of the additional \$10,000 does not apply to a Pharmacy Benefit Manager that only provides services for workers' compensation plans.