

CHAPTER 23**(SJR 26)**

A JOINT RESOLUTION directing the Department for Medicaid Services to provide the Legislative Research Commission with a report regarding pharmacist payment parity.

WHEREAS, the scope of practice for pharmacists is defined in KRS Chapter 315 and includes a number of clinical services such as testing and treatment for streptococcal pharyngitis commonly known as strep throat, influenza, urinary tract infections, COVID-19, and sexually transmitted infections; and

WHEREAS, the scope of practice for pharmacists also includes providing patient counseling on tobacco cessation, medication therapy management, chronic disease management, and more services that pharmacists may provide independently or through collaborative care agreements or protocols authorized by the Board of Pharmacy; and

WHEREAS, historically, clinical services provided by pharmacists have not been covered by most health plans; and

WHEREAS, during the 2021 Regular Session, the Kentucky General Assembly passed House Bill 48 which required private health insurance providers to cover clinical services performed by pharmacists if those services are within their scope of practice and to reimburse pharmacists for those services at a rate not less than that provided to other nonphysician practitioners such as advanced practice registered nurses and physician assistants; and

WHEREAS, House Bill 48 only applied to private insurance providers and not to the Kentucky Medical Assistance Program, commonly known as Medicaid, or to the Kentucky Children's Health Insurance Program (KCHIP); and

WHEREAS, as a result of the passage of House Bill 48, Kentucky's pharmacists can now bill private insurance providers for clinical services but are not permitted to seek reimbursement for the same services provided to individuals enrolled in Medicaid or KCHIP; and

WHEREAS, as of November 2024, more than 1,400,000 Kentuckians, or nearly one-third of the state's population, are covered by Medicaid and KCHIP; and

WHEREAS, the percentage of Kentuckians covered by Medicaid and KCHIP is significantly higher in many rural communities; and

WHEREAS, in many rural communities across the Commonwealth, the closest and most readily available healthcare provider is a local pharmacist; and

WHEREAS, the lack of coverage for clinical services provided by pharmacists represents a significant barrier to care for many of the Commonwealth's most vulnerable citizens; and

WHEREAS, when patients cannot readily access the care they need, their conditions often worsen, resulting in visits to urgent care clinics and hospital emergency rooms; and

WHEREAS, when clinical services are provided by physicians in urgent care or emergency room settings, the cost to provide those services is significantly higher than if the patient had been able to access those services at their community pharmacy; and

WHEREAS, an analysis of the fiscal impact of House Bill 48 in 2021 determined that the cost of requiring insurance providers to cover clinical services performed by pharmacists and to reimburse for those services at a rate not less than that paid to other nonphysician providers was minimal and would increase premiums by between 0.00 percent and 0.03 percent; and

WHEREAS, the Kentucky General Assembly is committed to taking a data-driven approach to policy making; and

WHEREAS, the Kentucky General Assembly does not currently have access to the data necessary to determine the potential fiscal impact of requiring Medicaid and KCHIP to comply with KRS 304.12-237, the statute created by House Bill 48; and

WHEREAS, the Department for Medicaid Services does have access to the data necessary to determine the potential fiscal impact of such a policy;

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

➔Section 1. The Department for Medicaid Services is hereby directed to prepare and deliver a report on pharmacist payment parity to the Legislative Research Commission for referral to the Interim Joint Committee on Appropriations and Revenue and the Interim Joint Committee on Health Services no later than August 1, 2025.

➔Section 2. The pharmacist payment parity report shall, at a minimum, include the following:

(1) A detailed summary of the changes that would be necessary if the Kentucky Medicaid program, including any managed care organization with which the department contracts for the delivery of Medicaid services, and the Kentucky Children's Health Insurance Program (KCHIP) were required by future legislation to comply with KRS 304.12-237. The summary of changes shall include a review of:

(a) Administrative changes;

(b) Technology changes and updates;

(c) A comprehensive overview of the clinical services and the related Current Procedural Terminology (CPT) codes for which pharmacists would be eligible to bill if compliance with KRS 304.12-237 were required, the current reimbursement rates for those services when provided by physician and nonphysician providers, and the number of times those CPT codes were billed by physicians and nonphysicians in 2023 and 2024;

(d) The need to onboard or credential pharmacists as providers of those services; and

(e) The anticipated cost of all changes that would be necessitated by a requirement to comply with KRS 304.12-237;

(2) An analysis of the anticipated effect a requirement to comply with KRS 304.12-237 would have on Medicaid and KCHIP claims and expenditures. The analysis shall include as assessment of:

(a) The anticipated impact on the number of Medicaid and KCHIP claims filed on behalf of Medicaid and KCHIP beneficiaries;

(b) The potential for offsetting claims to pharmacists or pharmacies from other providers or care sites; and

(c) The anticipated impact on Medicaid and KCHIP expenditures on an annual basis, including fee-for-services claims payments, managed care capitation payments, and any other potential fiscal impact that may result from a requirement to comply with KRS 304.12-237;

(3) A review of the fiscal impact and overall cost of similar coverage and reimbursement requirements observed in other states, if such data is available to the department;

(4) A summary of the effect of KRS 304.12-237 on private insurance providers, including any increase in premiums charged to consumers and observed changes in claims filed;

(5) An analysis of how a requirement to comply with KRS 304.12-237 might impact access to care, health outcomes, and the overall health of Medicaid and KCHIP beneficiaries. This analysis shall specifically address the impact on access to care, health outcomes, and overall health of Medicaid and KCHIP beneficiaries in rural and underserved communities; and

(6) A detailed timeline for implementing the changes necessary to comply with KRS 304.12-237, including any necessary requests for approval or authorization from the federal Centers for Medicare and Medicaid Services or any other federal agency.

➔Section 3. (1) If the Department for Medicaid Services determines that it does not have access to the data necessary to fulfil the requirements of the pharmacist payment parity report established in subsection (1)(c) or (4) of Section 2 of this Resolution, the department shall request that information from the Department of Insurance, and the Department of Insurance shall provide the Department for Medicaid Services with any available data necessary to fulfil the reporting requirements established in subsection (1)(c) or (4) of Section 2 of this Resolution.

(2) In fulfilling the reporting requirement established in subsection (3) of Section 2 of this Resolution, the Department for Medicaid Services shall contact the Medicaid agencies in states that have implemented policies similar to KRS 304.12-237 in their Medicaid program and request the information and data necessary to fulfil the reporting requirement established in subsection (3) of Section 2 of this Resolution.

Signed by Governor March 17, 2025.

