

STATEMENT OF EMERGENCY
806 KAR 17:512E.

This emergency administrative regulation is being promulgated, as prescribed in KRS 13A.190(1)(a)3., to meet an imminent deadline for the promulgation of an administrative regulation that is established by state law. This emergency administrative regulation will be followed by an ordinary administrative regulation. The ordinary administrative regulation is identical to this emergency administrative regulation.

Senate Bill 188 (SB 188) was enacted during the 2024 legislative session of the Kentucky General Assembly. SB 188 was signed by the Governor and became effective on January 1, 2025.

SB 188 created a new section of KRS Chapter 304 Subtitle 17A. This new section was codified as KRS 304.17A-595. KRS 304.17A-595(2)(c)2.c.ii. requires the Kentucky Department of Insurance (Department) to conduct a study of dispensing fee data submitted to the Commissioner by the Kentucky Board of Pharmacy from the ambulatory pharmacies located in Kentucky. Based on this study, the Department shall establish the professional dispensing fee for a prescription by an ambulatory pharmacy in Kentucky to become effective on January 1, 2027. This study was not finalized by actuaries retained by the Department until April 15, 2026, after which the Department had to independently review and verify the conclusions that were reached. Because that process could not be reasonably completed in time to promulgate an ordinary regulation that would be effective in advance of the January 1, 2027 deadline established by state law, this emergency regulation is being promulgated to meet that deadline pursuant to KRS 13A.190(1)(a)3.

The above-referenced study has determined that the professional dispensing fee for a prescription by an ambulatory pharmacy in Kentucky is \$16.31. KRS 304.17A-595(2)(c)2.a. reads, in relevant part, "To the extent permitted under federal law, every contract between a pharmacy or pharmacist and an insurer, a pharmacy benefit manager, or any other administrator of pharmacy benefits for the provision of pharmacy or pharmacist services under a health plan shall provide the following minimum reimbursements to the pharmacy or pharmacist for each prescription drug or other service provided by the pharmacy or pharmacist for health plan years beginning on or after January 1, 2027, reimbursement for a professional dispensing fee that is not less than the average cost to dispense a prescription drug in an ambulatory pharmacy located in Kentucky, as determined by the commissioner in an administrative regulation promulgated in accordance with KRS Chapter 13A." This emergency regulation is being promulgated pursuant to the directive of KRS 304.17A-595(2)(c)2.a.

For plan years beginning on or after January 1, 2027, the minimum professional dispensing fee for a prescription by an ambulatory pharmacy in Kentucky shall be \$16.31, in accordance with KRS 304.17A-595.

SHARON P. CLARK, Commissioner
ANDY BESHEAR, Governor

PUBLIC PROTECTION CABINET
Department of Insurance
Division of Health, Life, and Managed Care
(New Emergency Administrative Regulation)

806 KAR 17:512E. Professional dispensing fee for dispensing a prescription drug or providing other services.

RELATES TO: KRS 304.1-050, 304.2-110, 304.17A-591, 304.17A-595.

STATUTORY AUTHORITY: KRS 304.17A-595

CERTIFICATION STATEMENT:

NECESSITY, FUNCTION, AND CONFORMITY: KRS 304.2-110(1) authorizes the commissioner to promulgate reasonable administrative regulations necessary for or as an aid to the effectuation of the Kentucky Insurance Code as defined in KRS 304.1-010. KRS 304.17A-595 requires the commissioner to promulgate an administrative regulation to establish the reimbursement for a professional dispensing fee that is not less than the average cost to dispense a prescription drug in a Kentucky ambulatory pharmacy. The purpose of this administrative regulation is to establish the professional dispensing fee to be paid by insurers and pharmacy benefit managers to Kentucky ambulatory pharmacies for each prescription drug or other service provided by the pharmacy or pharmacist. This fee is established by the commissioner pursuant to the requirements of KRS 304.17A-595(2)(c)2.c.ii.

Section 1. Definitions.

- (1) "Ambulatory pharmacy" is defined by KRS 304.17A-595(1)(b).
- (2) "Commissioner" is defined by KRS 304.1-050(1).
- (3) "Dispensing Fee," means the professional dispensing fee established pursuant to KRS 304.17A-595(2)(c)2.c.ii.
- (4) "Health plan" is defined by KRS 304.17A-591(2).
- (5) "Insurer" is defined by KRS 304.17A-591(4).
- (6) "Pharmacy benefit manager" is defined by KRS 304.9-020 and KRS 304.17A-161(4).

Section 2. Dispensing Fee. For health plan years beginning on or after January 1, 2027, insurers and pharmacy benefit managers shall reimburse a Kentucky ambulatory pharmacy a professional dispensing fee of \$16.31 for each prescription drug or other service provided by the pharmacy or pharmacist delivered pursuant to a Health plan.

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SHARON P. CLARK, Commissioner

DJ WASSON, Secretary

APPROVED BY AGENCY: September 8, 2026

FILED WITH LRC: September 14, 2026 at 9:15 a.m.

PUBLIC HEARING AND COMMENT PERIOD: A public hearing on this administrative regulation shall be held at 9:00 AM on October 22, 2026, at 500 Mero Street, Frankfort, Kentucky 40601. Individuals interested in being heard at this hearing shall notify this agency in writing by five workdays prior to the hearing, of their intent to attend. If no notification of intent to attend the hearing is received by that date, the hearing may be canceled. If held, this hearing will be open to the public. Any person who wishes to be heard will be given an opportunity to comment on the proposed administrative regulation. A transcript of the public hearing will not be made unless a written request for a transcript is made. If you do not wish to be heard at the public hearing, you may submit written comments on the proposed administrative regulation. Written comments shall be accepted

through 11:59 PM on October 31, 2026. Send written notification of intent to be heard at the public hearing or written comments on the proposed administrative regulation to the contact person below.