

**367.828 Health discount plan -- Penalties. (Effective January 1, 2025)**

- (1) As used in this section, "health discount plan" means any card, program, device, or mechanism that is not insurance that purports to offer discounts or access to discounts from a health care provider without recourse to the health discount plan.
- (2) No person shall sell, market, promote, advertise, or otherwise distribute a health discount plan unless:
  - (a) The health discount plan clearly states in bold and prominent type on all cards or other purchasing devices, promotional materials, and advertising that the discounts are not insurance;
  - (b) The discounts are specifically authorized by an individual and separate contract with each health care provider listed in conjunction with the health discount plan;
  - (c) The discounts or the range of discounts advertised or offered by the plan are clearly and conspicuously disclosed to the consumer; and
  - (d) For health discount plans that purport to offer discounts or access to discounts on prescription drugs:
    1. The plan does not utilize the same identifying information used by an insurer under a health insurance policy, certificate, plan, or contract, including but not limited to policy numbers, group numbers, or member identifications; and
    2. The person or plan does not seek, or contract for, the payment of any refunds, recoupments, or fees from a pharmacy or pharmacist.
- (3) The provisions of subsection (2) of this section do not apply to the following:
  - (a) A customer discount or membership card issued by a retailer for use in its own facility; or
  - (b) Any card, program, device, or mechanism that:
    1. Is not insurance;
    2. Is administered by a health insurer authorized to transact the business of insurance in this state; and
    3. Does not purport to offer discounts or access to discounts on prescription drugs.
- (4)
  - (a) A violation of this section shall be deemed an unfair, false, misleading, or deceptive act or practice in the conduct of trade or commerce in violation of KRS 367.170.
  - (b) All of the remedies, powers, and duties delegated to the Attorney General by KRS 367.190 to 367.300 and penalties pertaining to acts and practices declared unlawful under KRS 367.170 shall be applied to acts and practices in violation of this section.

**Effective:** January 1, 2025

**History:** Amended 2024 Ky. Acts ch. 104, sec. 15, effective January 1, 2025. -- Created 2002 Ky. Acts ch. 105, sec. 29, effective July 15, 2002.