

304.17C-085 Definitions for section -- Set fees for noncovered services in participating provider agreement prohibited -- Provider charges limited to provider's rate for services and materials -- Contractual discount for covered services -- Reimbursement -- Provisions cannot be waived by contract. (Effective July 15, 2026)

- (1) As used in this section:
 - (a) "Contractual discount" means a percentage reduction from a provider's usual and customary rate for covered services required under a participating provider agreement; and
 - (b) "Covered services":
 1. Means services and materials for which:
 - a. Reimbursement from a plan is provided by the enrollee's plan contract; or
 - b. Reimbursement would be available but for the application of the enrollee's contractual limitations of deductibles, copayments, coinsurance, or frequency limitations; and
 2. Does not include services and materials for which reimbursement would be available but for the application of the enrollee's contractual limitation of an annual maximum benefit.
- (2) A participating provider agreement shall not require a participating provider to provide services to an enrollee at a fee set by or subject to the approval of the limited health service benefit plan unless the services are covered services under the participating provider agreement.
- (3) A provider shall not charge more for services and materials that are noncovered services under a limited health service benefit plan than the provider's rate for the services and materials.
- (4) The amount of a contractual discount shall not result in a fee that is less than the limited health service benefit plan would pay for covered services but for the application an enrollee's contractual limitations of deductibles, copayments, coinsurance, or frequency limitations.
- (5) Reimbursement paid by the limited health service benefit plan for covered services:
 - (a) Shall be reasonable; and
 - (b) Shall not provide nominal reimbursement in order to claim that services and materials are covered services.
- (6) The provisions of this section shall not be waived by contract. Any contractual arrangement in conflict with this section or that purports to waive any requirement of this section shall be void.

Effective: July 15, 2026

History: Amended 2026 Ky. Acts ch. 131, sec. 18, effective July 15, 2026. -- Amended 2022 Ky. Acts ch. 48, sec. 6, effective July 14, 2022. -- Created 2012 Ky. Acts ch. 116, sec. 10, effective July 12, 2012.

Legislative Research Commission Note (7/15/2026). 2026 Ky. Acts ch. 131, sec. 19, provides that the amendments to this statute in that Act shall apply to contracts

issued or renewed on or after July 15, 2026.

Legislative Research Commission Note (7/14/2022). 2022 Ky. Acts ch. 48, sec. 8, provides that this statute, which was amended by the Act, shall apply to contracts issued, delivered, entered, extended, or renewed on or after July 14, 2022.