

AN ACT relating to drug costs under health benefit plans.

*Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

➔SECTION 1. A NEW SECTION OF SUBTITLE 17A OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

(1) As used in this section:

(a) "Catastrophic plan" has the same meaning as in 42 U.S.C. sec. 18022, and any amendments to or regulations issued under that statute;

(b) "Essential health benefits" has the same meaning as in 42 U.S.C. sec. 18022, and any amendments to or regulations issued under that statute;

(c) "Health savings account" has the same meaning as in 26 U.S.C. sec. 223;

(d) "High deductible health plan" has the same meaning as in 26 U.S.C. sec. 223; and

(e) "Level of coverage" means either the bronze, silver, gold, or platinum level of coverage as described in 42 U.S.C. sec. 18022.

(2) Except as provided in subsection (4) of this section, at least twenty-five percent (25%) of the plans that cover essential health benefits that are offered by an insurer in Kentucky in each level of coverage, other than the bronze level of coverage:

(a) Shall use a benefit design with an all copayment cost-sharing structure for prescription drugs covered by the plan, in which the highest allowable copayment shall be no greater than one-twelfth (1/12) of the maximum annual out-of-pocket expenditure for an individual for that specific plan; and

(b) Shall not require an enrollee to pay coinsurance for any prescription drug that is included on the plan's formulary, or any nonformulary drug that is otherwise included in the plan.

(3) Except as provided in subsection (4) of this section, at least one (1) of the plans

described in subsection (2) of this section shall not require an enrollee to pay a deductible for prescription drugs covered by the plan, and the amount of cost-sharing paid by an enrollee for any given prescription drug shall not exceed the amount of the copayment specified in the summary of benefits and coverage for the plan.

- (4) If an insurer offers only one (1) plan that covers the essential health benefits in a given level of coverage within a geographic service area, that plan shall use the cost-sharing structure set forth in subsection (2) of this section. Subsection (2) of this section shall not require an insurer to offer a plan in a particular level of coverage in more than one (1) level of coverage, in a particular geographic service area, or in more than one (1) geographic service area within the state.
- (5) This section shall not apply to any plan offered at the bronze level of coverage, any catastrophic plan, or any health savings account with a corresponding qualified high deductible health plan, offered as a plan that covers the essential health benefits.
- (6) The requirements of this section shall be met separately for plans offered on any health benefit exchange established pursuant to 42 U.S.C. sec. 18031 or 18041 or offered outside of any health benefit exchange.

→ Section 2. This Act takes effect January 1, 2017.