

1 AN ACT relating to reimbursement for pharmacist services.

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

3 ➔SECTION 1. A NEW SECTION OF SUBTITLE 12 OF KRS CHAPTER 304  
4 IS CREATED TO READ AS FOLLOWS:

5 *(1) As used in this section:*

6 *(a) "Insurer":*

7 *1. Means any insurer, self-insurer, self-insured plan, or self-insured*  
8 *group; and*

9 *2. Shall include any health maintenance organization, provider-*  
10 *sponsored integrated health delivery network, or nonprofit hospital,*  
11 *medical-surgical, dental, and health service corporation; and*

12 *(b) "Practice of pharmacy" has the same meaning as in KRS 315.010.*

13 *(2) To the extent permitted under federal law, for policies, plans, or contracts issued*  
14 *or renewed on or after the effective date of this Act, an insurer, or a third-party*  
15 *administrator for such insurer, shall provide reimbursement to a pharmacist for*  
16 *a service or procedure at a rate not less than that provided to other nonphysician*  
17 *practitioners if the service or procedure:*

18 *(a) Is within the scope of the practice of pharmacy;*

19 *(b) Would otherwise be covered under the policy, plan, or contract if the service*  
20 *or procedure were provided by a:*

21 *1. Physician;*

22 *2. Advanced practice registered nurse; or*

23 *3. Physician assistant; and*

24 *(c) Is performed by the pharmacist in strict compliance with laws and*  
25 *administrative regulations related to the pharmacist's license.*

26 *(3) This section shall not be construed to limit coverage provided under a policy,*  
27 *plan, or contract, or required under any other law.*

1           ➔Section 2. KRS 304.14-135 is amended to read as follows:

- 2       (1) The commissioner shall prescribe the following uniform health insurance claim  
3       forms which shall be used by all insurers transacting health insurance in this state  
4       and by all state agencies that require health insurance claim forms for their records  
5       as the sole instrument for reimbursement:
- 6       (a) The uniform health insurance claim form for an institutional provider shall  
7       consist of the UB-92 data set or its successor submitted on the designated  
8       paper or electronic format as adopted by the National Uniform Billing  
9       Committee;
- 10      (b) The uniform health insurance claim form for a dentist shall consist of a data  
11      set and form approved by the American Dental Association;
- 12      (c) The uniform health insurance claim form for all other health care providers  
13      shall consist of the HCFA 1500 data set or its successor submitted on the  
14      designated paper or electronic format as adopted by the National Uniform  
15      Claim~~[Claims]~~ Committee; and
- 16      (d) A clean claim for pharmacists shall consist of:
- 17           1. For prescription drug claims, a universal claim form and~~[or]~~ data set  
18           approved by the National Council for~~[on]~~ Prescription Drug  
19           Programs~~[Program]~~; and
- 20           2. For all other claims for services or procedures that are within the  
21           scope of the practice of pharmacy, as defined in KRS 315.010, a 1500  
22           Health Insurance Claim Form or its successor submitted on the  
23           designated paper or electronic format as adopted by the National  
24           Uniform Claim Committee.
- 25      (2) An insurer shall not require a provider to:
- 26      (a) Use a claim form that is different than the uniform claim form for the provider  
27      type as set out in subsection (1) of this section;

1 (b) Modify the uniform claims form or its content; or

2 (c) Submit additional claims forms.

3 ➔Section 3. KRS 304.17A-844 is amended to read as follows:

4 (1) After a hearing or upon agreement by the self-insured employer-organized  
5 association group, the commissioner may suspend or revoke the certificate of filing  
6 of a self-insured employer-organized association group, impose a civil penalty of up  
7 to five thousand dollars (\$5,000) per violation on a self-insured employer-organized  
8 association group, or both, for:

9 (a) Violations of KRS 304.17A-800 to 304.17A-844, Section 1 of this Act, or  
10 administrative regulations promulgated thereunder;

11 (b) Obtaining a certificate of filing by unfair or deceptive means;

12 (c) Operating in a financially hazardous manner;

13 (d) Misappropriation, conversion, illegal withholding, or refusal to pay over upon  
14 proper demand any moneys that belong to a member, an employee of a  
15 member, or a person otherwise entitled thereto by the group or its  
16 administrator; or

17 (e) Unfair or deceptive business practices.

18 (2) The commissioner, in his or her discretion and without advance notice or a hearing  
19 thereon, may suspend or revoke the certificate of filing of any self-insured  
20 employer-organized association group upon the commencement of the following  
21 proceedings:

22 (a) Receivership;

23 (b) Conservatorship;

24 (c) Rehabilitation; or

25 (d) Other delinquency proceedings.

26 ➔Section 4. KRS 304.17B-011 is amended to read as follows:

27 (1) The Office of Health Data and Analytics shall select a third-party administrator,

1 through the state competitive bidding process, to administer Kentucky Access. The  
2 third-party administrator shall be an administrator licensed by the department. The  
3 office shall consider criteria in selecting a third-party administrator that shall  
4 include, but not be limited to, the following:

- 5 (a) A third-party administrator's proven ability to demonstrate performance of the  
6 operations of an insurer to include the following: enrollee enrollment,  
7 eligibility determination, provider enrollment and credentialing, utilization  
8 management, quality improvement, drug utilization review, premium billing  
9 and collection, claims payment, and data reporting;
- 10 (b) The total cost to administer Kentucky Access;
- 11 (c) A third-party administrator's proven ability to demonstrate that Kentucky  
12 Access shall be administered in a cost-efficient manner;
- 13 (d) A third-party administrator's proven ability to demonstrate experience in two  
14 (2) or more states administering a risk pool for a minimum of a three (3) year  
15 period; and
- 16 (e) A third-party administrator's financial condition and stability.
- 17 (2) The office may contract with the third-party administrator for a period of four (4)  
18 years with an option for a two (2) year extension as approved by the office on a  
19 year-by-year contract basis. At least one (1) year prior to the expiration of the third-  
20 party administrator's contract, the office may solicit third-party administrators,  
21 including the current third-party administrator, to submit bids to serve as the third-  
22 party administrator for the succeeding four (4) year period.
- 23 (3) In addition to any duties and obligations set forth in the contract with the third-party  
24 administrator, the third-party administrator shall:
- 25 (a) Develop and establish policies and procedures for enrollee enrollment,  
26 eligibility determination, provider enrollment and credentialing, utilization  
27 management, case management, disease management, quality improvement,

- 1 drug utilization review, premium billing and collection, data reporting, and  
2 other responsibilities determined by the office;
- 3 (b) Develop and establish policies and procedures for paying the agent referral fee  
4 under KRS 304.17B-001 to 304.17B-031;
- 5 (c) Develop and establish policies and procedures to ensure timely and efficient  
6 payment of claims to include, but not limited to, the following:
- 7 1. Develop and provide a claims billing manual to health care providers  
8 enrolled in Kentucky Access that includes information relating to the  
9 proper billing of a claim and the types of claim forms to use;
- 10 2. Payment of all claims in accordance with the provisions of this chapter,  
11 *Section 1 of this Act*, and the administrative regulations promulgated  
12 thereunder; and
- 13 3. Notification to an enrollee through an explanation of benefits if a claim  
14 is denied or if there is enrollee financial responsibility of a paid claim  
15 for deductible or coinsurance amounts;
- 16 (d) Issue denial letters under KRS 304.17A-540 for denial of preauthorization and  
17 precertification requests for medical necessity and medical appropriateness  
18 determinations;
- 19 (e) Submit information to the office and the department under KRS 304.17A-330;
- 20 (f) Submit reports to the office regarding the operation and financial condition of  
21 Kentucky Access. The frequency, content, and form of the reports shall be  
22 determined by the office;
- 23 (g) Submit an annual report to the office three (3) months after the end of each  
24 calendar year. The annual report shall include:
- 25 1. Earned premium;
- 26 2. Administrative expenses;
- 27 3. Incurred losses for the year;

- 1           4.   Paid losses for the year;
- 2           5.   Number of enrollees enrolled in Kentucky Access by category of
- 3                eligibility; and
- 4           6.   Any other information requested by the office; and

5           (h)   Be subject to examination by the office under Subtitles 2 and 3 of this chapter.

6   (4)   The third-party administrator shall be paid for necessary and reasonable expenses,  
7        as provided in the contract between the office and the third-party administrator.

8        ➔Section 5.   KRS 18A.225 (Effective April 1, 2021) is amended to read as  
9        follows:

10   (1)   (a)   The term "employee" for purposes of this section means:

- 11           1.   Any person, including an elected public official, who is regularly
- 12                employed by any department, office, board, agency, or branch of state
- 13                government; or by a public postsecondary educational institution; or by
- 14                any city, urban-county, charter county, county, or consolidated local
- 15                government, whose legislative body has opted to participate in the state-
- 16                sponsored health insurance program pursuant to KRS 79.080; and who
- 17                is either a contributing member to any one (1) of the retirement systems
- 18                administered by the state, including but not limited to the Kentucky
- 19                Retirement Systems, County Employees Retirement System, Kentucky
- 20                Teachers' Retirement System, the Legislators' Retirement Plan, or the
- 21                Judicial Retirement Plan; or is receiving a contractual contribution from
- 22                the state toward a retirement plan; or, in the case of a public
- 23                postsecondary education institution, is an individual participating in an
- 24                optional retirement plan authorized by KRS 161.567; or is eligible to
- 25                participate in a retirement plan established by an employer who ceases
- 26                participating in the Kentucky Employees Retirement System pursuant to
- 27                KRS 61.522 whose employees participated in the health insurance plans

- 1 administered by the Personnel Cabinet prior to the employer's effective  
2 cessation date in the Kentucky Employees Retirement System;
- 3 2. Any certified or classified employee of a local board of education;
- 4 3. Any elected member of a local board of education;
- 5 4. Any person who is a present or future recipient of a retirement  
6 allowance from the Kentucky Retirement Systems, County Employees  
7 Retirement System, Kentucky Teachers' Retirement System, the  
8 Legislators' Retirement Plan, the Judicial Retirement Plan, or the  
9 Kentucky Community and Technical College System's optional  
10 retirement plan authorized by KRS 161.567, except that a person who is  
11 receiving a retirement allowance and who is age sixty-five (65) or older  
12 shall not be included, with the exception of persons covered under KRS  
13 61.702(4)(c), unless he or she is actively employed pursuant to  
14 subparagraph 1. of this paragraph; and
- 15 5. Any eligible dependents and beneficiaries of participating employees  
16 and retirees who are entitled to participate in the state-sponsored health  
17 insurance program;
- 18 (b) The term "health benefit plan" for the purposes of this section means a health  
19 benefit plan as defined in KRS 304.17A-005;
- 20 (c) The term "insurer" for the purposes of this section means an insurer as defined  
21 in KRS 304.17A-005; and
- 22 (d) The term "managed care plan" for the purposes of this section means a  
23 managed care plan as defined in KRS 304.17A-500.
- 24 (2) (a) The secretary of the Finance and Administration Cabinet, upon the  
25 recommendation of the secretary of the Personnel Cabinet, shall procure, in  
26 compliance with the provisions of KRS 45A.080, 45A.085, and 45A.090,  
27 from one (1) or more insurers authorized to do business in this state, a group

1 health benefit plan that may include but not be limited to health maintenance  
2 organization (HMO), preferred provider organization (PPO), point of service  
3 (POS), and exclusive provider organization (EPO) benefit plans encompassing  
4 all or any class or classes of employees. With the exception of employers  
5 governed by the provisions of KRS Chapters 16, 18A, and 151B, all  
6 employers of any class of employees or former employees shall enter into a  
7 contract with the Personnel Cabinet prior to including that group in the state  
8 health insurance group. The contracts shall include but not be limited to  
9 designating the entity responsible for filing any federal forms, adoption of  
10 policies required for proper plan administration, acceptance of the contractual  
11 provisions with health insurance carriers or third-party administrators, and  
12 adoption of the payment and reimbursement methods necessary for efficient  
13 administration of the health insurance program. Health insurance coverage  
14 provided to state employees under this section shall, at a minimum, contain  
15 the same benefits as provided under Kentucky Kare Standard as of January 1,  
16 1994, and shall include a mail-order drug option as provided in subsection  
17 (13) of this section. All employees and other persons for whom the health care  
18 coverage is provided or made available shall annually be given an option to  
19 elect health care coverage through a self-funded plan offered by the  
20 Commonwealth or, if a self-funded plan is not available, from a list of  
21 coverage options determined by the competitive bid process under the  
22 provisions of KRS 45A.080, 45A.085, and 45A.090 and made available  
23 during annual open enrollment.

24 (b) The policy or policies shall be approved by the commissioner of insurance and  
25 may contain the provisions the commissioner of insurance approves, whether  
26 or not otherwise permitted by the insurance laws.

27 (c) Any carrier bidding to offer health care coverage to employees shall agree to



1 provide coverage to all members of the state group, including active  
2 employees and retirees and their eligible covered dependents and  
3 beneficiaries, within the county or counties specified in its bid. Except as  
4 provided in subsection (20) of this section, any carrier bidding to offer health  
5 care coverage to employees shall also agree to rate all employees as a single  
6 entity, except for those retirees whose former employers insure their active  
7 employees outside the state-sponsored health insurance program.

8 (d) Any carrier bidding to offer health care coverage to employees shall agree to  
9 provide enrollment, claims, and utilization data to the Commonwealth in a  
10 format specified by the Personnel Cabinet with the understanding that the data  
11 shall be owned by the Commonwealth; to provide data in an electronic form  
12 and within a time frame specified by the Personnel Cabinet; and to be subject  
13 to penalties for noncompliance with data reporting requirements as specified  
14 by the Personnel Cabinet. The Personnel Cabinet shall take strict precautions  
15 to protect the confidentiality of each individual employee; however,  
16 confidentiality assertions shall not relieve a carrier from the requirement of  
17 providing stipulated data to the Commonwealth.

18 (e) The Personnel Cabinet shall develop the necessary techniques and capabilities  
19 for timely analysis of data received from carriers and, to the extent possible,  
20 provide in the request-for-proposal specifics relating to data requirements,  
21 electronic reporting, and penalties for noncompliance. The Commonwealth  
22 shall own the enrollment, claims, and utilization data provided by each carrier  
23 and shall develop methods to protect the confidentiality of the individual. The  
24 Personnel Cabinet shall include in the October annual report submitted  
25 pursuant to the provisions of KRS 18A.226 to the Governor, the General  
26 Assembly, and the Chief Justice of the Supreme Court, an analysis of the  
27 financial stability of the program, which shall include but not be limited to

1 loss ratios, methods of risk adjustment, measurements of carrier quality of  
2 service, prescription coverage and cost management, and statutorily required  
3 mandates. If state self-insurance was available as a carrier option, the report  
4 also shall provide a detailed financial analysis of the self-insurance fund  
5 including but not limited to loss ratios, reserves, and reinsurance agreements.

6 (f) If any agency participating in the state-sponsored employee health insurance  
7 program for its active employees terminates participation and there is a state  
8 appropriation for the employer's contribution for active employees' health  
9 insurance coverage, then neither the agency nor the employees shall receive  
10 the state-funded contribution after termination from the state-sponsored  
11 employee health insurance program.

12 (g) Any funds in flexible spending accounts that remain after all reimbursements  
13 have been processed shall be transferred to the credit of the state-sponsored  
14 health insurance plan's appropriation account.

15 (h) Each entity participating in the state-sponsored health insurance program shall  
16 provide an amount at least equal to the state contribution rate for the employer  
17 portion of the health insurance premium. For any participating entity that used  
18 the state payroll system, the employer contribution amount shall be equal to  
19 but not greater than the state contribution rate.

20 (3) The premiums may be paid by the policyholder:

21 (a) Wholly from funds contributed by the employee, by payroll deduction or  
22 otherwise;

23 (b) Wholly from funds contributed by any department, board, agency, public  
24 postsecondary education institution, or branch of state, city, urban-county,  
25 charter county, county, or consolidated local government; or

26 (c) Partly from each, except that any premium due for health care coverage or  
27 dental coverage, if any, in excess of the premium amount contributed by any

1 department, board, agency, postsecondary education institution, or branch of  
2 state, city, urban-county, charter county, county, or consolidated local  
3 government for any other health care coverage shall be paid by the employee.

4 (4) If an employee moves his or her place of residence or employment out of the service  
5 area of an insurer offering a managed health care plan, under which he or she has  
6 elected coverage, into either the service area of another managed health care plan or  
7 into an area of the Commonwealth not within a managed health care plan service  
8 area, the employee shall be given an option, at the time of the move or transfer, to  
9 change his or her coverage to another health benefit plan.

10 (5) No payment of premium by any department, board, agency, public postsecondary  
11 educational institution, or branch of state, city, urban-county, charter county,  
12 county, or consolidated local government shall constitute compensation to an  
13 insured employee for the purposes of any statute fixing or limiting the  
14 compensation of such an employee. Any premium or other expense incurred by any  
15 department, board, agency, public postsecondary educational institution, or branch  
16 of state, city, urban-county, charter county, county, or consolidated local  
17 government shall be considered a proper cost of administration.

18 (6) The policy or policies may contain the provisions with respect to the class or classes  
19 of employees covered, amounts of insurance or coverage for designated classes or  
20 groups of employees, policy options, terms of eligibility, and continuation of  
21 insurance or coverage after retirement.

22 (7) Group rates under this section shall be made available to the disabled child of an  
23 employee regardless of the child's age if the entire premium for the disabled child's  
24 coverage is paid by the state employee. A child shall be considered disabled if he or  
25 she has been determined to be eligible for federal Social Security disability benefits.

26 (8) The health care contract or contracts for employees shall be entered into for a period  
27 of not less than one (1) year.

1 (9) The secretary shall appoint thirty-two (32) persons to an Advisory Committee of  
2 State Health Insurance Subscribers to advise the secretary or the secretary's designee  
3 regarding the state-sponsored health insurance program for employees. The  
4 secretary shall appoint, from a list of names submitted by appointing authorities,  
5 members representing school districts from each of the seven (7) Supreme Court  
6 districts, members representing state government from each of the seven (7)  
7 Supreme Court districts, two (2) members representing retirees under age sixty-five  
8 (65), one (1) member representing local health departments, two (2) members  
9 representing the Kentucky Teachers' Retirement System, and three (3) members at  
10 large. The secretary shall also appoint two (2) members from a list of five (5) names  
11 submitted by the Kentucky Education Association, two (2) members from a list of  
12 five (5) names submitted by the largest state employee organization of nonschool  
13 state employees, two (2) members from a list of five (5) names submitted by the  
14 Kentucky Association of Counties, two (2) members from a list of five (5) names  
15 submitted by the Kentucky League of Cities, and two (2) members from a list of  
16 names consisting of five (5) names submitted by each state employee organization  
17 that has two thousand (2,000) or more members on state payroll deduction. The  
18 advisory committee shall be appointed in January of each year and shall meet  
19 quarterly.

20 (10) Notwithstanding any other provision of law to the contrary, the policy or policies  
21 provided to employees pursuant to this section shall not provide coverage for  
22 obtaining or performing an abortion, nor shall any state funds be used for the  
23 purpose of obtaining or performing an abortion on behalf of employees or their  
24 dependents.

25 (11) Interruption of an established treatment regime with maintenance drugs shall be  
26 grounds for an insured to appeal a formulary change through the established appeal  
27 procedures approved by the Department of Insurance, if the physician supervising

1 the treatment certifies that the change is not in the best interests of the patient.

2 (12) Any employee who is eligible for and elects to participate in the state health  
3 insurance program as a retiree, or the spouse or beneficiary of a retiree, under any  
4 one (1) of the state-sponsored retirement systems shall not be eligible to receive the  
5 state health insurance contribution toward health care coverage as a result of any  
6 other employment for which there is a public employer contribution. This does not  
7 preclude a retiree and an active employee spouse from using both contributions to  
8 the extent needed for purchase of one (1) state sponsored health insurance policy for  
9 that plan year.

10 (13) (a) The policies of health insurance coverage procured under subsection (2) of  
11 this section shall include a mail-order drug option for maintenance drugs for  
12 state employees. Maintenance drugs may be dispensed by mail order in  
13 accordance with Kentucky law.

14 (b) A health insurer shall not discriminate against any retail pharmacy located  
15 within the geographic coverage area of the health benefit plan and that meets  
16 the terms and conditions for participation established by the insurer, including  
17 price, dispensing fee, and copay requirements of a mail-order option. The  
18 retail pharmacy shall not be required to dispense by mail.

19 (c) The mail-order option shall not permit the dispensing of a controlled  
20 substance classified in Schedule II.

21 (14) The policy or policies provided to state employees or their dependents pursuant to  
22 this section shall provide coverage for obtaining a hearing aid and acquiring hearing  
23 aid-related services for insured individuals under eighteen (18) years of age, subject  
24 to a cap of one thousand four hundred dollars (\$1,400) every thirty-six (36) months  
25 pursuant to KRS 304.17A-132.

26 (15) Any policy provided to state employees or their dependents pursuant to this section  
27 shall provide coverage for the diagnosis and treatment of autism spectrum disorders

- 1 consistent with KRS 304.17A-142.
- 2 (16) Any policy provided to state employees or their dependents pursuant to this section  
3 shall provide coverage for obtaining amino acid-based elemental formula pursuant  
4 to KRS 304.17A-258.
- 5 (17) If a state employee's residence and place of employment are in the same county, and  
6 if the hospital located within that county does not offer surgical services, intensive  
7 care services, obstetrical services, level II neonatal services, diagnostic cardiac  
8 catheterization services, and magnetic resonance imaging services, the employee  
9 may select a plan available in a contiguous county that does provide those services,  
10 and the state contribution for the plan shall be the amount available in the county  
11 where the plan selected is located.
- 12 (18) If a state employee's residence and place of employment are each located in counties  
13 in which the hospitals do not offer surgical services, intensive care services,  
14 obstetrical services, level II neonatal services, diagnostic cardiac catheterization  
15 services, and magnetic resonance imaging services, the employee may select a plan  
16 available in a county contiguous to the county of residence that does provide those  
17 services, and the state contribution for the plan shall be the amount available in the  
18 county where the plan selected is located.
- 19 (19) The Personnel Cabinet is encouraged to study whether it is fair and reasonable and  
20 in the best interests of the state group to allow any carrier bidding to offer health  
21 care coverage under this section to submit bids that may vary county by county or  
22 by larger geographic areas.
- 23 (20) Notwithstanding any other provision of this section, the bid for proposals for health  
24 insurance coverage for calendar year 2004 shall include a bid scenario that reflects  
25 the statewide rating structure provided in calendar year 2003 and a bid scenario that  
26 allows for a regional rating structure that allows carriers to submit bids that may  
27 vary by region for a given product offering as described in this subsection:

- 1 (a) The regional rating bid scenario shall not include a request for bid on a  
2 statewide option;
- 3 (b) The Personnel Cabinet shall divide the state into geographical regions which  
4 shall be the same as the partnership regions designated by the Department for  
5 Medicaid Services for purposes of the Kentucky Health Care Partnership  
6 Program established pursuant to 907 KAR 1:705;
- 7 (c) The request for proposal shall require a carrier's bid to include every county  
8 within the region or regions for which the bid is submitted and include but not  
9 be restricted to a preferred provider organization (PPO) option;
- 10 (d) If the Personnel Cabinet accepts a carrier's bid, the cabinet shall award the  
11 carrier all of the counties included in its bid within the region. If the Personnel  
12 Cabinet deems the bids submitted in accordance with this subsection to be in  
13 the best interests of state employees in a region, the cabinet may award the  
14 contract for that region to no more than two (2) carriers; and
- 15 (e) Nothing in this subsection shall prohibit the Personnel Cabinet from including  
16 other requirements or criteria in the request for proposal.
- 17 (21) Any fully insured health benefit plan or self-insured plan issued or renewed on or  
18 after July 12, 2006, to public employees pursuant to this section which provides  
19 coverage for services rendered by a physician or osteopath duly licensed under KRS  
20 Chapter 311 that are within the scope of practice of an optometrist duly licensed  
21 under the provisions of KRS Chapter 320 shall provide the same payment of  
22 coverage to optometrists as allowed for those services rendered by physicians or  
23 osteopaths.
- 24 (22) Any fully insured health benefit plan or self-insured plan issued or renewed on or  
25 after the effective date of this Act~~[July 12, 2006]~~, to public employees pursuant to  
26 this section shall comply with:
- 27 (a) Section 1 of this Act;

- 1       **(b)** ~~[the provisions of]~~ KRS 304.17A-270 and 304.17A-525;
- 2       **(c)** KRS 304.17A-600 to 304.17A-633;
- 3       **(d)** KRS 205.593;
- 4       **(e)** KRS 304.17A-700 to 304.17A-730;
- 5       **(f)** KRS 304.14-135;
- 6       **(g)** KRS 304.17A-580 and 304.17A-641;
- 7       **(h)** KRS 304.99-123;
- 8       **(i)** KRS 304.17A-138; and
- 9       **(j)** Administrative regulations promulgated pursuant to statutes listed in this  
10        subsection.

11 ~~[(23) Any fully insured health benefit plan or self-insured plan issued or renewed on or~~  
12 ~~after July 12, 2006, to public employees shall comply with KRS 304.17A 600 to~~  
13 ~~304.17A 633 pertaining to utilization review, KRS 205.593 and 304.17A 700 to~~  
14 ~~304.17A 730 pertaining to payment of claims, KRS 304.14 135 pertaining to~~  
15 ~~uniform health insurance claim forms, KRS 304.17A 580 and 304.17A 641~~  
16 ~~pertaining to emergency medical care, KRS 304.99 123, and any administrative~~  
17 ~~regulations promulgated thereunder.~~

18 ~~(24) Any fully insured health benefit plan or self-insured plan issued or renewed on or~~  
19 ~~after July 1, 2019, to public employees pursuant to this section shall comply with~~  
20 ~~KRS 304.17A 138.]~~

21       ➔Section 6. KRS 342.020 is amended to read as follows:

- 22       (1) In addition to all other compensation provided in this chapter, the employer shall
- 23       pay for the cure and relief from the effects of an injury or occupational disease the
- 24       medical, surgical, and hospital treatment, including nursing, medical, and surgical
- 25       supplies and appliances, as may reasonably be required at the time of the injury and
- 26       thereafter for the length of time set forth in this section, or as may be required for
- 27       the cure and treatment of an occupational disease.



- 1 (2) In claims resulting in an award of permanent total disability or resulting from an  
2 injury described in subsection (9) of this section, the employer's obligation to pay  
3 the benefits specified in this section shall continue for so long as the employee is  
4 disabled regardless of the duration of the employee's income benefits.
- 5 (3) (a) In all permanent partial disability claims not involving an injury described in  
6 subsection (9) of this section, the employer's obligation to pay the benefits  
7 specified in this section shall continue for seven hundred eighty (780) weeks  
8 from the date of injury or date of last exposure.
- 9 (b) In all permanent partial disability claims not involving an injury described in  
10 subsection (9) of this section, the commissioner shall, in writing, advise the  
11 employee of the right to file an application for the continuation of benefits as  
12 described in this section. This notice shall be made to the employee seven  
13 hundred fifty-four (754) weeks from the date of injury or last exposure.
- 14 (c) An employee shall receive a continuation of benefits as described in this  
15 section for additional time beyond the period provided in paragraph (a) of this  
16 subsection as long as continued medical treatment is reasonably necessary and  
17 related to the work injury or occupational disease if:
- 18 1. An application is filed within seventy-five (75) days prior to the  
19 termination of the seven hundred eighty (780) week period;
  - 20 2. The employee demonstrates that continued medical treatment is  
21 reasonably necessary and related to the work injury or occupational  
22 disease; and
  - 23 3. An administrative law judge determines and orders that continued  
24 benefits are reasonably necessary and related to the work injury or  
25 occupational disease for additional time beyond the original seven  
26 hundred eighty (780) week period provided in paragraph (a) of this  
27 subsection.

1 (d) If the administrative law judge determines that medical benefits are not  
2 reasonably necessary or not related to the work injury or occupational disease,  
3 or if an employee fails to make proper application for continued benefits  
4 within the time period provided in paragraph (c) of this subsection, any future  
5 medical treatment shall be deemed to be unrelated to the work injury and the  
6 employer's obligation to pay medical benefits shall cease permanently.

7 (4) In the absence of designation of a managed health care system by the employer, the  
8 employee may select medical providers to treat his injury or occupational disease.  
9 Even if the employer has designated a managed health care system, the injured  
10 employee may elect to continue treating with a physician who provided emergency  
11 medical care or treatment to the employee. The employer, insurer, or payment  
12 obligor acting on behalf of the employer, shall make all payments for services  
13 rendered to an employee directly to the provider of the services within thirty (30)  
14 days of receipt of a statement for services. The commissioner shall promulgate  
15 administrative regulations establishing conditions under which the thirty (30) day  
16 period for payment may be tolled. The provider of medical services shall submit the  
17 statement for services within forty-five (45) days of the day treatment is initiated  
18 and every forty-five (45) days thereafter, if appropriate, as long as medical services  
19 are rendered. Except as provided in subsection (7) of this section, in no event shall a  
20 medical fee exceed the limitations of an adopted medical fee schedule or other  
21 limitations contained in KRS 342.035, whichever is lower. The commissioner may  
22 promulgate administrative regulations establishing the form and content of a  
23 statement for services and procedures by which disputes relative to the necessity,  
24 effectiveness, frequency, and cost of services may be resolved.

25 (5) Notwithstanding any provision of the Kentucky Revised Statutes to the contrary,  
26 medical services and treatment provided under this chapter shall not be subject to  
27 copayments or deductibles.

- 1 (6) Employers may provide medical services through a managed health care system.  
2 The managed health care system shall file with the Department of Workers' Claims  
3 a plan for the rendition of health care services for work-related injuries and  
4 occupational diseases to be approved by the commissioner pursuant to  
5 administrative regulations promulgated by the commissioner.
- 6 (7) All managed health care systems rendering medical services under this chapter shall  
7 include the following features in plans for workers' compensation medical care:
- 8 (a) Copayments or deductibles shall not be required for medical services rendered  
9 in connection with a work-related injury or occupational disease;
  - 10 (b) The employee shall be allowed choice of provider within the plan;
  - 11 (c) The managed health care system shall provide an informal procedure for the  
12 expeditious resolution of disputes concerning rendition of medical services;
  - 13 (d) The employee shall be allowed to obtain a second opinion, at the employer's  
14 expense, from an outside physician if a managed health care system physician  
15 recommends surgery;
  - 16 (e) The employee may obtain medical services from providers outside the  
17 managed health care system, at the employer's expense, when treatment is  
18 unavailable through the managed health care system;
  - 19 (f) The managed health care system shall establish procedures for utilization  
20 review of medical services to assure that a course of treatment is reasonably  
21 necessary; diagnostic procedures are not unnecessarily duplicated; the  
22 frequency, scope, and duration of treatment is appropriate; pharmaceuticals  
23 are not unnecessarily prescribed; and that ongoing and proposed treatment is  
24 not experimental, cost ineffective, or harmful to the employee; and
  - 25 (g) Statements for services shall be audited regularly to assure that charges are not  
26 duplicated and do not exceed those authorized in the applicable fee schedules.
  - 27 (h) A schedule of fees for all medical services to be provided under this chapter

1           which shall not be subject to the limitations on medical fees contained in this  
2           chapter.

3           (i) Restrictions on provider selection imposed by a managed health care system  
4           authorized by this chapter shall not apply to emergency medical care.

5       (8) Except for emergency medical care, medical services rendered pursuant to this  
6       chapter shall be under the supervision of a single treating physician or physicians'  
7       group having the authority to make referrals, as reasonably necessary, to appropriate  
8       facilities and specialists. The employee may change his designated physician one (1)  
9       time and thereafter shall show reasonable cause in order to change physicians.

10      (9) When a compensable injury or occupational disease results in the amputation or  
11      partial amputation of an arm, hand, leg, or foot, or the loss of hearing, or the  
12      enucleation of an eye or loss of teeth, or permanent total or permanent partial  
13      paralysis, the employer shall pay for, in addition to the other medical, surgical, and  
14      hospital treatment enumerated in subsection (1) and this subsection, a modern  
15      artificial member and, where required, proper braces as may reasonably be required  
16      at the time of the injury and thereafter during disability.

17      (10) Upon motion of the employer, with sufficient notice to the employee for a response  
18      to be filed, if it is shown to the satisfaction of the administrative law judge by  
19      affidavits or testimony that, because of the physician selected by the employee to  
20      treat the injury or disease, or because of the hospital selected by the employee in  
21      which treatment is being rendered, that the employee is not receiving proper  
22      medical treatment and the recovery is being substantially affected or delayed; or that  
23      the funds for medical expenses are being spent without reasonable benefit to the  
24      employee; or that because of the physician selected by the employee or because of  
25      the type of medical treatment being received by the employee that the employer will  
26      substantially be prejudiced in any compensation proceedings resulting from the  
27      employee's injury or disease; then the administrative law judge may allow the

1 employer to select a physician to treat the employee and the hospital or hospitals in  
2 which the employee is treated for the injury or disease. No action shall be brought  
3 against any employer subject to this chapter by any person to recover damages for  
4 malpractice or improper treatment received by any employee from any physician,  
5 hospital, or attendant thereof.

6 (11) An employee who reports an injury alleged to be work-related or files an application  
7 for adjustment of a claim shall execute a waiver and consent of any physician-  
8 patient, psychiatrist-patient, or chiropractor-patient privilege with respect to any  
9 condition or complaint reasonably related to the condition for which the employee  
10 claims compensation. Notwithstanding any other provision in the Kentucky Revised  
11 Statutes, any physician, psychiatrist, chiropractor, podiatrist, hospital, or health care  
12 provider shall, within a reasonable time after written request by the employee,  
13 employer, workers' compensation insurer, special fund, uninsured employers' fund,  
14 or the administrative law judge, provide the requesting party with any information  
15 or written material reasonably related to any injury or disease for which the  
16 employee claims compensation.

17 (12) When a provider of medical services or treatment, required by this chapter, makes  
18 referrals for medical services or treatment by this chapter, to a provider or entity in  
19 which the provider making the referral has an investment interest, the referring  
20 provider shall disclose that investment interest to the employee, the commissioner,  
21 and the employer's insurer or the party responsible for paying for the medical  
22 services or treatment, within thirty (30) days from the date the referral was made.

23 (13) (a) Except as provided in paragraphs (b) and (c) of this subsection, the employer,  
24 insurer, or payment obligor shall not be liable for urine drug screenings of  
25 patients in excess of:

- 26 1. One (1) per year for a patient considered to be low-risk;
- 27 2. Two (2) per year for a patient considered to be moderate-risk; and

- 1           3. Four (4) per year for patients considered to be high-risk;  
2           based upon the screening performed by the treating medical provider and  
3           other pertinent factors.
- 4           (b) The employer, insurer, or payment obligor may be liable for urine drug  
5           screening at each office visit for patients that have exhibited aberrant behavior  
6           documented by multiple lost prescriptions, multiple requests for early refills of  
7           prescriptions, multiple providers prescribing or dispensing opioids or opioid  
8           substitutes as evidenced by the electronic monitoring system established in  
9           KRS 218A.202 or a similar system, unauthorized dosage escalation, or  
10          apparent intoxication.
- 11          (c) The employer, insurer, or payment obligor may request additional urine drug  
12          screenings which shall not count toward the maximum number of drug  
13          screenings enumerated in paragraph (a) of this subsection.
- 14          (d) The commissioner shall promulgate administrative regulations related to urine  
15          drug screenings as part of the practice parameters or treatment guidelines  
16          required under KRS 342.035.

17          **(14) (a) As used in this subsection, "practice of pharmacy" has the same meaning**  
18          **as in KRS 315.010.**

19          **(b) In addition to all other compensation that may be reimbursed to a**  
20          **pharmacist under this chapter, the employer, insurer, or payment obligor**  
21          **shall be liable for the reimbursement of a pharmacist for a service or**  
22          **procedure at a rate not less than that provided to other nonphysician**  
23          **practitioners if the service or procedure:**

24                 **1. Is within the scope of the practice of pharmacy;**

25                 **2. Would otherwise be compensable under this chapter if the service or**  
26                 **procedure were provided by a:**

27                         **a. Physician;**

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- b. Advanced practice registered nurse; or*
- c. Physician assistant; and*
- 3. Is performed by the pharmacist in strict compliance with laws and*  
*administrative regulations related to the pharmacist's license.*