

1 AN ACT relating to the payment of insurance premiums and cost sharing on behalf
2 of an insured.

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

4 ➔Section 1. KRS 304.17A-255 is amended to read as follows:

5 (1) As used in this section:~~[-]~~

6 ***(a)*** "Cost sharing" means the cost to an individual insured under a health benefit
7 plan according to any coverage limit, copayment, coinsurance, deductible, or
8 other out-of-pocket expense requirements imposed by the plan; ***and***

9 ***(b)*** ***"Plan year" means the year that is designated as the plan year in the plan***
10 ***document of a health benefit plan, except that if the plan document does not***
11 ***designate a plan year or if there is no plan document, the plan year is:***

12 ***1. The deductible or limit year used under the plan;***

13 ***2. If the plan does not impose deductibles or limits on a yearly basis, the***
14 ***policy year;***

15 ***3. If the plan does not impose deductibles or limits on a yearly basis and***
16 ***either the plan is not insured or the insurance policy is not renewed on***
17 ***an annual basis, the employer or sponsor's taxable year; or***

18 ***4. If none of the preceding subparagraphs apply, the calendar year.***

19 (2) Except as provided in subsection (4) of this section, all health benefit plans~~[-issued~~
20 ~~or renewed on or after January 1, 2022,]~~ shall accept, and count towards the
21 insured's contributions to any applicable premium or cost-sharing requirement,
22 premium and cost-sharing payments made on behalf of an insured from the
23 following:

24 (a) A state or federal government program, including payments made by
25 programs operating in accordance with Title XXVI of the federal Public
26 Health Service Act, 42 U.S.C. secs. 300ff et. seq., as amended;

27 (b) An Indian tribe, tribal organization, or urban Indian organization; and

1 (c) A program conducted by an organization that certifies that the organization ~~is~~
2 ~~is~~:

3 1. Is exempt from taxation under 26 U.S.C. sec. 501(a), as amended;

4 2. Is described in 26 U.S.C. sec. 170(b)(1)(A)(i) or (vi); ~~and~~

5 3. Is operating in compliance with applicable federal laws, including the
6 False Claims Act, 31 U.S.C. secs. 3729 to 3733; and

7 4. If the organization is not a church or a convention or association of
8 churches, as described in 26 U.S.C. sec. 170(b)(1)(A)(i), is in
9 compliance with at least one (1) of the following:

10 a. The organization does not receive funding in any form from a
11 health care provider, as defined in KRS 304.17A-005;

12 b. Any premium assistance offered by the organization to an
13 insured is sufficient to cover the insured's premiums payments
14 for a full plan year; or

15 c. The organization has been issued an advisory opinion under 42
16 U.S.C. sec. 1320a-7d(b), as amended, determining that the:

17 i. Program conducted by the organization is not prohibited
18 remuneration in violation of federal law;

19 ii. Program conducted by the organization would not
20 constitute grounds for the imposition of civil monetary
21 penalties under 42 U.S.C. 1320a-7a(a)(5), as amended; or

22 iii. Issuing agency would not impose sanctions in connection
23 with the program conducted by the organization.

24 (3) To the extent permitted under federal law, all health benefit plans may accept, and
25 count towards the insured's contributions to any applicable premium or cost-sharing
26 requirement, premium and cost-sharing payments made on behalf of an insured by
27 any person not referenced in subsection (2) of this section.

1 (4)~~[(a)]~~ If the application of any~~[the]~~ requirement~~[requirements]~~ of subsection (2) of
2 this section would be the sole cause of a health benefit plan's failure to qualify
3 as a Health Savings Account-qualified High Deductible Health Plan under 26
4 U.S.C. sec. 223, as amended, then the requirement~~[requirements]~~ of
5 ~~subsection (2) of this section]~~ shall not apply to that health benefit plan until
6 the minimum deductible under 26 U.S.C. sec. 223, as amended, is satisfied.

7 ~~[(b) Subsection (2)(c) of this section shall not apply to payments made by, or on
8 behalf of, any organization that receives funding in any form from a health
9 care provider, as defined in KRS 304.17A-005.]~~

10 (5) Nothing in this section shall be construed to imply that the insured is not
11 responsible for the timely payment of premiums in accordance with the terms of the
12 health benefit plan contract between the insurer and the insured, even if the payment
13 is made on behalf of the insured by a person referenced in subsection (2) of this
14 section.

15 ➔Section 2. This Act applies to health benefit plans issued or renewed on or after
16 the effective date of this Act.