

1 A JOINT RESOLUTION directing the Department for Medicaid Services to
2 provide the Legislative Research Commission with a report regarding pharmacist
3 payment parity.

4 WHEREAS, the scope of practice for pharmacists is defined in KRS Chapter 315
5 and includes a number of clinical services such as testing and treatment for streptococcal
6 pharyngitis commonly known as strep throat, influenza, urinary tract infections, COVID-
7 19, and sexually transmitted infections; and

8 WHEREAS, the scope of practice for pharmacists also includes providing patient
9 counseling on tobacco cessation, medication therapy management, chronic disease
10 management, and more services that pharmacists may provide independently or through
11 collaborative care agreements or protocols authorized by the Board of Pharmacy; and

12 WHEREAS, historically clinical services provided by pharmacists have not been
13 covered by most health plans; and

14 WHEREAS, during the 2021 Regular Session the Kentucky General Assembly
15 passed House Bill 48 which required private health insurance providers to cover clinical
16 services performed by pharmacists if those services are within their scope of practice and
17 to reimburse pharmacists for those services at a rate not less than that provided to other
18 nonphysician practitioners such as advanced practice registered nurses and physician
19 assistants; and

20 WHEREAS, House Bill 48 only applied to private insurance providers and not to
21 the Kentucky Medical Assistance Program, commonly known as Medicaid, or to the
22 Kentucky Children's Health Insurance Program (KCHIP); and

23 WHEREAS, as a result of the passage of House Bill 48 Kentucky's pharmacists can
24 now bill private insurance providers for clinical services but are not permitted to seek
25 reimbursement for the same services provided to individuals enrolled in Medicaid or
26 KCHIP; and

27 WHEREAS, as of November 2024, more than 1,400,000 Kentuckians, or nearly

1 one third of the state's population, are covered by Medicaid and KCHIP; and

2 WHEREAS, the percentage of Kentuckians covered by Medicaid and KCHIP is
3 significantly higher in many rural communities; and

4 WHEREAS, in many rural communities across the Commonwealth the closest and
5 most readily available healthcare provider is a local pharmacist; and

6 WHEREAS, the lack of coverage for clinical services provided by pharmacists
7 represents a significant barrier to care for many of the Commonwealth's most vulnerable
8 citizens; and

9 WHEREAS, when patients cannot readily access the care they need, their
10 conditions often worsen, resulting in visits to urgent care clinics and hospital emergency
11 rooms; and

12 WHEREAS, when clinical services are provided by physicians in urgent care or
13 emergency room settings, the cost to provide those services is significantly higher than if
14 the patient had been able to access those services at their community pharmacy; and

15 WHEREAS, an analysis of the fiscal impact of House Bill 48 in 2021 determined
16 that the cost of requiring insurance providers to cover clinical services performed by
17 pharmacists and to reimburse for those services at a rate not less than that paid to other
18 nonphysician providers was minimal and would increase premiums by between 0.00
19 percent and 0.03 percent; and

20 WHEREAS, the Kentucky General Assembly is committed to taking a data-driven
21 approach to policy making; and

22 WHEREAS, the Kentucky General Assembly does not currently have access to the
23 data necessary to determine the potential fiscal impact of requiring Medicaid and KCHIP
24 to comply with KRS 304.12-237, the statute created by House Bill 48; and

25 WHEREAS, the Department for Medicaid Services does have access to the data
26 necessary to determine the potential fiscal impact of such a policy;

27 NOW, THEREFORE,

1 ***Be it resolved by the General Assembly of the Commonwealth of Kentucky:***

2 ➔Section 1. The Department for Medicaid Services is hereby directed to prepare
3 and deliver a report on pharmacist payment parity to the Legislative Research
4 Commission for referral to the Interim Joint Committee on Appropriations and Revenue
5 and the Interim Joint Committee on Health Services no later than August 1, 2025.

6 ➔Section 2. The pharmacist payment parity report shall, at a minimum, include
7 the following:

8 (1) A detailed summary of the changes that would be necessary if the Kentucky
9 Medicaid program, including any managed care organization with which the department
10 contracts for the delivery of Medicaid services, and the Kentucky Children's Health
11 Insurance Program (KCHIP) were required by future legislation to comply with KRS
12 304.12-237. The summary of changes shall include a review of:

13 (a) Administrative changes;

14 (b) Technology changes and updates;

15 (c) A comprehensive overview of the clinical services and the related Current
16 Procedural Terminology (CPT) codes for which pharmacists would be eligible to
17 bill if compliance with KRS 304.12-237 were required, the current reimbursement
18 rates for those services when provided by physician and nonphysician providers,
19 and the number of times those CPT codes were billed by physicians and
20 nonphysicians in 2023 and 2024;

21 (d) The need to onboard or credential pharmacists as providers of those services;
22 and

23 (e) The anticipated cost of all changes that would be necessitated by a
24 requirement to comply with KRS 304.12-237;

25 (2) An analysis of the anticipated effect a requirement to comply with KRS
26 304.12-237 would have on Medicaid and KCHIP claims and expenditures. The analysis
27 shall include as assessment of:

1 (a) The anticipated impact on the number of Medicaid and KCHIP claims filed on
2 behalf of Medicaid and KCHIP beneficiaries;

3 (b) The potential for offsetting claims to pharmacists or pharmacies from other
4 providers or care sites; and

5 (c) The anticipated impact on Medicaid and KCHIP expenditures on an annual
6 basis including fee-for-services claims payments, managed care capitation
7 payments, and any other potential fiscal impact that may result from a requirement
8 to comply with KRS 304.12-237;

9 (3) A review of the fiscal impact and overall cost of similar coverage and
10 reimbursement requirements observed in other states, if such data is available to the
11 department;

12 (4) A summary of the effect of KRS 304.12-237 on private insurance providers
13 including any increase in premiums charged to consumers and observed changes in
14 claims filed;

15 (5) An analysis of how a requirement to comply with KRS 304.12-237 might
16 impact access to care, health outcomes, and the overall health of Medicaid and KCHIP
17 beneficiaries. This analysis shall specifically address the impact on access to care, health
18 outcomes, and overall health of Medicaid and KCHIP beneficiaries in rural and
19 underserved communities; and

20 (6) A detailed timeline for implementing the changes necessary to comply with
21 KRS 304.12-237 including any necessary requests for approval or authorization from the
22 federal Centers for Medicare and Medicaid Services or any other federal agency.

23 ➔Section 3. (1) If the Department for Medicaid Services determines that it
24 does not have access to the data necessary to fulfil the requirements of the pharmacist
25 payment parity report established in subsection (1)(c) or (4) of Section 2 of this
26 Resolution, the department shall request that information from the Department of
27 Insurance, and the Department of Insurance shall provide the Department for Medicaid

1 Services with any available date necessary to fulfil the reporting requirements established
2 in subsection (1)(c) or (4) of Section 2 of this Resolution.

3 (2) In fulfilling the reporting requirement established in subsection (3) of Section
4 of this Resolution, the Department for Medicaid Services shall contact the Medicaid
5 agencies in states that have implemented policies similar to KRS 304.12-237 in their
6 Medicaid program and request the information and data necessary to fulfil the reporting
7 requirement established in subsection (3) of Section 2 of this Resolution.