

1 AN ACT relating to limited health service benefit plans.

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

3 ➔Section 1. KRS 304.17C-085 is amended to read as follows:

4 (1) As used in this section:

5 (a) "Contractual discount" means a percentage reduction from a provider's usual  
6 and customary rate for covered services ~~{and material}~~ required under a  
7 participating provider agreement; and

8 (b) "Covered services":

9 1. Means services and materials for which:

10 a.~~[1.]~~Reimbursement from a plan is provided by the enrollee's plan  
11 contract; or

12 b.~~[2.]~~Reimbursement would be available but for the application of the  
13 enrollee's contractual limitations of deductibles, copayments,  
14 coinsurance, or frequency limitations; and

15 2. Does not include services and materials for which reimbursement  
16 would be available but for the application of the enrollee's contractual  
17 limitation of an annual maximum benefit.

18 (2) A participating provider agreement shall not require a participating provider to  
19 provide services to an enrollee at a fee set by or subject to the approval of the  
20 limited health service benefit plan unless the services are covered services under the  
21 participating provider agreement.

22 (3) A provider shall not charge more for services and materials that are noncovered  
23 services under a limited health service benefit plan than the provider's rate for the  
24 services and materials.

25 (4) The amount of a contractual discount shall not result in a fee that is less than the  
26 limited health service benefit plan would pay for covered services but for the  
27 application an enrollee's contractual limitations of deductibles, copayments,

1 coinsurance, or frequency limitations.

2 (5) Reimbursement paid by the limited health service benefit plan for covered services:

3 (a) Shall be reasonable; and

4 (b) Shall not provide nominal reimbursement in order to claim that services and  
5 materials are covered services.

6 **(6) The provisions of this section shall not be waived by contract. Any contractual**  
7 **arrangement in conflict with this section or that purports to waive any**  
8 **requirement of this section shall be void.**

9 ➔Section 2. This Act applies to contracts issued or renewed on or after the  
10 effective date of this Act.