

**Local Government Mandate Statement  
Kentucky Legislative Research Commission  
2024 Regular Session**

**Part I: Measure Information**

**Bill Request #:** 1495

**Bill #:** SB 149

**Document ID #:** 4310

**Bill Title:** AN ACT relating to prescription drugs.

**Sponsor:** Senator Stephen L. Meredith

Unit of Government:  City  County  Urban-County  
Unified Local  
 Charter County  Consolidated Local  Government

Office(s) Impacted: All offices that offer health insurance for their employees.

Requirement:  Mandatory  Optional

Effect on  
Powers & Duties:  Modifies Existing  Adds New  Eliminates Existing

**Part II: Bill Provisions and the Estimated Fiscal Impact Relating to Local Government**

SB 149 amends KRS 304.17A-164 to define price protection rebate and rebate. It also defines cost sharing as it relates to this bill. In this SB 149, cost sharing does not include copayments. **Section 1** requires an insured's cost sharing for a prescription drug to be calculated at the point of sale and that all rebates received shall reduce the cost sharing amount by at least eighty-five percent (85%); any rebates not used to reduce cost sharing shall be used to reduce the premiums charged by the health plan.

Insurers, pharmacy benefit managers (PBMs), or any other administrators shall not publish the amount of rebates the insurer receives. The amount included in a rebate shall be protected as a trade secret in accordance with KRS 365.880 to 365.900 and be confidential.

**SB 149 could have a negative fiscal impact on local governments.** Based on a Department of Insurance's (DOI) health benefit mandate impact statement, SB 149 will increase premiums for all fully insured policies in Kentucky, excluding Medicaid and the

state employees' health plan, approximately \$0.00 to \$20.08 per member per month. This represents an increase of approximately 0.0% to 2.6% or \$0 to \$89 million for all fully insured policies in Kentucky, excluding Medicaid and the state employees' health plan.

While the health benefit mandate does not address the state employees' health plan, which a portion of local governments participate in, it is expected that there will be an increase in premiums. Local governments not participating in the state employees' health plan, would see an increase in premiums and possibly employer contributions.

**Data Source(s):** LRC Staff. Department of Insurance.

**Preparer:** Bart Liguori (MS) **Reviewer:** KHC **Date:** 2/12/24