



**Section 4** of SB 188 SCS 1 prohibits administrators of pharmacy benefits from

- requiring or incentivizing an insured to use a mail order pharmaceutical distributor,
- prohibiting or imposing a penalty on a pharmacy for selling or providing information concerning a lower-cost alternative to an insured,
- discriminating against any pharmacy located in the geographic coverage area of the health plan and willing to agree to reasonable terms established for participation in the pharmacy benefits network,
- imposing quantity limits or refill frequency limits on an insured's access to medication that are more restrictive than those existing for a pharmacy affiliate,
- requiring or incentivizing an insured to receive pharmacy services from a pharmacy affiliate, or
- interfering with an insured's right to choose their network pharmacy of choice.

**SB 188 SCS 1 would likely have a negative fiscal impact on local governments.** It is anticipated there will be an increase to insurance premium rates to implement the conditions of the bill. The exact range is not known at the time. If additional information is received, then this impact statement will be revised accordingly.

Some local governments participate in the Kentucky Employee's Health Plan, those who do not may pay higher premiums due to the requirements of the bill.

It is not anticipated that the bill will increase the administrative expenses of insurers.

**Data Source(s):** LRC Staff.

**Preparer:** Bart Liguori (MS) **Reviewer:** KHC **Date:** 3/14/24