

1 AN ACT relating to cost sharing under a health benefit plan.

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

3 ➔SECTION 1. A NEW SECTION OF SUBTITLE 17A OF KRS CHAPTER 304  
4 IS CREATED TO READ AS FOLLOWS:

5 *(1) As used in this section:*

6 *(a) "No cost or reduced cost health facility" means a health facility that offers*  
7 *health care services in a setting in which the services are rendered to*  
8 *patients at no cost or at a reduced cost; and*

9 *(b) "Usual and customary rate" means the eightieth percentile of all charges*  
10 *for a particular health care service performed by a health care provider in*  
11 *the same or similar specialty and provided in the same geographical area as*  
12 *reported pursuant to Section 2 of this Act.*

13 *(2) To the extent allowed under federal law, a health benefit plan issued or renewed*  
14 *on or after the effective date of this Act shall:*

15 *(a) Except as provided in paragraph (b) of this subsection, include any amount*  
16 *paid by or on behalf of the covered person when calculating the covered*  
17 *person's overall contribution to any cost-sharing requirements imposed*  
18 *under the plan; or*

19 *(b) Include the usual and customary rate for health care services received by*  
20 *the covered person at a no cost or reduced cost health facility when*  
21 *calculating the covered person's overall contribution to any out-of-pocket*  
22 *maximum or deductible imposed under the plan.*

23 ➔SECTION 2. A NEW SECTION OF SUBTITLE 17A OF KRS CHAPTER 304  
24 IS CREATED TO READ AS FOLLOWS:

25 *(1) The commissioner shall promulgate administrative regulations to:*

26 *(a) Specify a nonprofit organization that maintains a database of billed charges*  
27 *submitted by providers for health care services to be used as a benchmark*

1           for determining the usual and customary rate for health care services. The  
2           nonprofit shall not be affiliated with an insurer offering health benefit  
3           plans in Kentucky; and

4           (b) Require all insurers to submit to the department annually, but no later than  
5           March 1 of each year, all billed charges received from both in-network and  
6           out-of-network providers for each health care service provided in Kentucky.

7           (2) Any information required to be reported under this section shall:

8           (a) Be reported on a form and in a manner determined by the department;

9           (b) Not include any personally identifying information of an insured; and

10          (c) Include appropriate geographical information of the billing provider.

11          (3) The department shall provide information reported pursuant to this section to the  
12          nonprofit identified in subsection (1) of this section, or if no nonprofit exists  
13          meeting the requirements of subsection (1) of this section, then the department  
14          shall publish this information in a report on its Web site by June 1 of each year.

15          ➔Section 3. This Act takes effect on January 1, 2021.