

## REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

Regulation: 806 KAR 17:580

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(1) Provide a brief summary of:

(a) What this administrative regulation does: This new administrative regulation defines that health care provider or provider in KRS 304.17A-005(23) will also include a pharmacy that is licensed under KRS Chapter 315.

(b) The necessity of this administrative regulation: The necessity of this administrative regulation is to include that any pharmacy licensed under the provisions of KRS Chapter 315 shall also be included in the definition of “health care provider” or “provider”.

(c) How this administrative regulation conforms to the content of the authorizing statutes: KRS 304.2-110 authorizes that the Commissioner may promulgate administrative regulations relative to the Kentucky Insurance Code. More specifically, KRS 304.17A-005(23)(j) authorizes the Department to promulgate an administrative regulation to determine other what health care practitioners shall be added to the definition “health care provider” or “provider”.

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: This administrative regulation assists in the effectuation of KRS 304.17A-005(23)(j) by determining that pharmacies licensed under KRS Chapter 315 are included in the definition of “health care provider” or “provider”.

(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:

(a) How the amendment will change this existing administrative regulation: This is a new administrative regulation.

(b) The necessity of the amendment to this administrative regulation: This is a new administrative regulation.

(c) How the amendment conforms to the content of the authorizing statutes: This is a new administrative regulation.

(d) How the amendment will assist in the effective administration of the statutes: This is a new administrative regulation.

- (3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation: Any pharmacy licensed under KRS Chapter 315.
- (4) Provide an analysis of how the entities identified in the previous question will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:
- (a) List the actions each of the regulated entities have to take to comply with this regulation or amendment: Acknowledgement of pharmacies licensed un Chapter 315 to be recognized as a “health care provider” or “provider”.
- (b) In complying with this administrative regulation or amendment, how much will it cost each of the entities: There is no associated cost with this administrative regulation.
- (c) As a result of compliance, what benefits will accrue to the entities: A pharmacy licensed under KRS Chapter 315 shall be recognized under the definition of “health care provider” or “provider”.
- (5) Provide an estimate of how much it will cost the administrative body to implement this administrative regulation:
- (a) Initially: Implementation of this amendment is not anticipated to have an initial cost on the Department of Insurance.
- (b) On a continuing basis: Implementation of this amendment is not anticipated to have an on-going cost on the Department of Insurance.
- (6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: The Department will use funds from its current operational budget to perform the tasks necessary.
- (7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment: There will be no increase in fees or funding to implement this new administrative regulation.
- (8) State whether or not this administrative regulation established any fees or directly or indirectly increased any fees: There a no fees that will be established.
- (9) TIERING: Is tiering applied? Explain why or why not. Tiering is not applied because this administrative regulation relates to all “health care providers”, “providers”, or pharmacies licensed under Chapter 315.

FISCAL NOTE ON STATE OR LOCAL GOVERNMENT

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(1) What units, parts or divisions of state or local government (including cities, counties, fire departments, or school districts) will be impacted by this administrative regulation? The Department as the implementer of this administrative regulation.

(2) Identify each state or federal statute or federal regulation that requires or authorizes the action taken by the administrative regulation. KRS 304.2-110, KRS 304.1-010, KRS 304.17A-005(23)(j)

(3) Estimate the effect of this administrative regulation on the expenditures and revenues of a state or local government agency (including cities, counties, fire departments, or school districts) for the first full year the administrative regulation is to be in effect. If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation.

(a) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for the first year? No revenue is expected to be generated.

(b) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for subsequent years? No revenue is expected to be generated.

(c) How much will it cost to administer this program for the first year? No cost is expected.

(d) How much will it cost to administer this program for subsequent years? No cost is expected.

Note: If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation.

(4) Revenues (+/-): Neutral

(5) Expenditures (+/-): Neutral

(6) Other Explanation: