

STATEMENT OF EMERGENCY

806 KAR 17:512E

This emergency administrative regulation is being promulgated, as prescribed in KRS 13A.190(1)(a)3., to meet an imminent deadline for the promulgation of an administrative regulation that is established by state law. This emergency administrative regulation will be followed by an ordinary administrative regulation. The ordinary administrative regulation is identical to this emergency administrative regulation.

Senate Bill 188 (SB 188) was enacted during the 2024 legislative session of the Kentucky General Assembly. SB 188 was signed by the Governor and became effective on January 1, 2025.

SB 188 created a new section of KRS Chapter 304 Subtitle 17A. This new section was codified as KRS 304.17A-595. KRS 304.17A-595(2)(c)2.c.ii. requires the Kentucky Department of Insurance (Department) to conduct a study of dispensing fee data submitted to the Commissioner by the Kentucky Board of Pharmacy from the ambulatory pharmacies located in Kentucky. Based on this study, the Department shall establish the professional dispensing fee for a prescription by an ambulatory pharmacy in Kentucky to become effective on January 1, 2027. This study was not finalized by actuaries retained by the Department until April 15, 2026, after which the Department had to independently review and verify the conclusions that were reached. Because that process could not be reasonably completed in time to promulgate an ordinary regulation that would be effective in advance of the January 1, 2027 deadline established by state law, this emergency regulation is being promulgated to meet that deadline pursuant to KRS 13A.190(1)(a)3.

The above-referenced study has determined that the professional dispensing fee for a prescription by an ambulatory pharmacy in Kentucky is \$16.31. KRS 304.17A-595(2)(c)2.a. reads, in relevant part, "To the extent permitted under federal law, every contract between a pharmacy or pharmacist and an insurer, a pharmacy benefit manager, or any other administrator of pharmacy benefits for the provision of pharmacy or pharmacist services under a health plan...shall...provide the following minimum reimbursements to the pharmacy or pharmacist for each prescription drug or other service provided by the pharmacy or pharmacist... for health plan years beginning on or after January 1, 2027, reimbursement for a professional dispensing fee that is not less than the average cost to dispense a prescription drug in an ambulatory pharmacy located in Kentucky, as determined by the commissioner in an administrative regulation promulgated in accordance with KRS Chapter 13A." This emergency regulation is being promulgated pursuant to the directive of KRS 304.17A-595(2)(c)2.a.

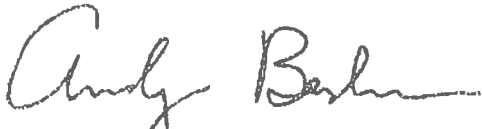
For plan years beginning on or after January 1, 2027, the minimum professional dispensing fee for a prescription by an ambulatory pharmacy in Kentucky shall be \$16.31, in accordance with KRS 304.17A-595.



Sharon P. Clark
Commissioner, Department of Insurance

9/8/2026

Date



Andy Beshear
Governor, Commonwealth of Kentucky

9/4/2026

Date