

# Spotlight on State: Kentucky

*This is part of a [series of summaries](#) that highlight notable legislation and initiatives in health policy and reform of all 50 states. Check back on The Source as we roll out additional states each week.*

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The Kentucky legislature has consistently pursued legislation aimed at improving access to healthcare price information to help rein in costs. In recent terms, Kentucky has enacted a number of legislation pertaining to prescription drug cost transparency, with particular focus on pharmacy benefit managers, including a law that prohibits PBMs from requiring drug payments in excess of required amounts (“clawbacks”) and from preventing a pharmacy’s disclosure of more affordable cost options to consumers (“gag clauses”). Another statute provides transparency in Medicaid Managed Care Organizations (MCOs) reimbursements by enforcing additional PBM reporting requirements and giving broader, direct oversight and approval by the Kentucky Department of Medicaid Services. Other noteworthy yet unsuccessful price transparency proposals have included a ban on surprise billing, establishment of an all-payer claims database, and implementation of shared savings incentive programs.

In the provider market, Kentucky requires a Certificate of Need (CON) prior to the acquisition of a health facility or major medical equipment. The state’s CON process requires providers to file a notice of intent that includes a description of the services to be offered, bed capacity, and use of medical equipment in the facility. To further curb anticompetitive behavior in the healthcare market, Kentucky law also prohibits most favored nation clauses in provider contracts except in cases where the commissioner determines the market share of the insurer is nominal.

Kentucky has also enacted laws to incentivize health professionals to provide telehealth services. The state requires health insurance plans to provide parity for coverage, reimbursement, and cost-sharing of telehealth services on at least the same basis as in-person services.