

1 AN ACT relating to the establishment of emergency insulin programs and declaring
2 an emergency.

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

4 ➔SECTION 1. A NEW SECTION OF KRS CHAPTER 211 IS CREATED TO
5 READ AS FOLLOWS:

6 *For the purposes of Sections 1 to 7 of this Act, unless the context otherwise requires:*

7 *(1) "Board" means the Kentucky Board of Pharmacy;*

8 *(2) "Consumer price index" means the United States Department of Labor's Bureau*
9 *of Labor Statistics' Consumer Price Index for all urban consumers for all items;*

10 *(3) (a) "Manufacturer" means an entity engaged in the manufacturing of insulin*
11 *that is self-administered on an outpatient basis and that is made available*
12 *for sale or distribution in the state.*

13 *(b) "Manufacturer" shall not include a manufacturer with annual gross*
14 *revenue of less than two million dollars (\$2,000,000) from insulin sales in*
15 *the state;*

16 *(4) "Pharmacist" has the same meaning as in KRS 315.010;*

17 *(5) "Pharmacy" has the same meaning as in KRS 315.010;*

18 *(6) "Urgent need of insulin" means having readily available for use less than a*
19 *seven (7) day supply of insulin and in need of insulin in order to avoid the*
20 *likelihood of negative health consequences;*

21 *(7) "Urgent-need supply of insulin" means a thirty (30) day supply of an insulin*
22 *product as prescribed by a healthcare provider; and*

23 *(8) (a) "Wholesale acquisition cost" means a manufacturer's list price for insulin*
24 *to wholesalers or direct purchases in the United States for the most recent*
25 *month for which the information is reported in wholesale price guides or*
26 *other publication of drug or biological pricing data.*

27 *(b) "Wholesale acquisition cost" shall not include prompt pay or other*

1 discounts, rebates, or any other reduction in price.

2 ➔SECTION 2. A NEW SECTION OF KRS CHAPTER 211 IS CREATED TO
3 READ AS FOLLOWS:

4 (1) The Urgent-Need Insulin Program and the Continuing Access to Insulin
5 Program are hereby established. The Urgent-Need Insulin Program shall ensure
6 affordable access to insulin to eligible individuals who are in urgent need of
7 insulin, and the Continuing Access to Insulin Program shall ensure affordable
8 access to insulin to eligible individuals who have an ongoing need for access to
9 insulin. Both programs shall be administered and overseen by the Kentucky
10 Board of Pharmacy.

11 (2) (a) In order to be eligible to obtain insulin under the Urgent-Need Insulin
12 Program, an individual shall:

13 1. Be a resident of Kentucky;

14 2. Not be enrolled in the state's Medical Assistance Program or the
15 Kentucky Children's Health Insurance Program as established in
16 KRS Chapter 205;

17 3. Not be enrolled in a health benefit plan that limits cost sharing for
18 prescription insulin drugs pursuant to KRS 304.17A-148(3)(b), except
19 as permitted under paragraph (b) of this subsection;

20 4. Not have received an urgent-need supply of insulin through the
21 program within the previous twelve (12) months, except as permitted
22 under paragraph (c) of this subsection; and

23 5. Be in urgent need of insulin.

24 (b) Notwithstanding paragraph (a)3. of this subsection, an individual who is
25 enrolled in a health benefit plan that limits cost sharing for prescription
26 insulin drugs pursuant to KRS 304.17A-148(3)(b) shall be eligible to receive
27 insulin under the Urgent-Need Insulin Program if the health benefit plan in

1 which the individual is enrolled does not provide coverage for the specific
2 prescription insulin drug prescribed to the individual by his or her
3 healthcare provider and the individual meets all other eligibility
4 requirements established in paragraph (a) of this subsection.

5 (c) Notwithstanding paragraph (a)4. of this subsection, an individual may
6 receive an additional urgent-need supply of insulin during a twelve (12)
7 month period if the individual has applied for the state's Medical Assistance
8 Program or the Kentucky Children's Health Insurance Program as
9 established in KRS Chapter 205 but has not been determined eligible or has
10 been determined eligible but coverage has not become effective and the
11 individual meets all other eligibility requirements established in paragraph
12 (a) of this subsection.

13 (3) (a) In order to be eligible to obtain insulin under the Continuing Access to
14 Insulin Program, an individual shall:

- 15 1. Be a resident of Kentucky;
- 16 2. Not be enrolled in the state's Medical Assistance Program or the
17 Kentucky Children's Health Insurance Program as established in
18 KRS Chapter 205;
- 19 3. Not be eligible to receive health care through a federally funded
20 program or receive prescription drug benefits through the federal
21 Department of Veterans Affairs, except as permitted under paragraph
22 (c) of this subsection; and
- 23 4. Not be enrolled in a health benefit plan that limits cost sharing for
24 prescription insulin drugs pursuant to KRS 304.17A-148(3)(b), except
25 as permitted under paragraph (d) of this subsection.

26 (b) An individual who is eligible to obtain prescription insulin under the
27 Continuing Access to Insulin Program may obtain insulin under that

1 program for up to twelve (12) months.

2 (c) Notwithstanding paragraph (a)3. of this subsection, an individual who is
3 enrolled in Medicare Part D shall be eligible for the Continuing Access to
4 Insulin Program if the individual has spent one thousand dollars (\$1,000)
5 on prescription drugs in the current calendar year and meets all other
6 eligibility requirements established in paragraph (a) of this subsection.

7 (d) Notwithstanding paragraph (a)4. of this subsection, an individual who is
8 enrolled in a health benefit plan that limits cost sharing for prescription
9 insulin drugs pursuant to KRS 304.17A-148(3)(b) shall be eligible for the
10 Continuing Access to Insulin Program if the health benefit plan in which
11 the individual is enrolled does not provide coverage for the specific
12 prescription insulin drug prescribed to the individual by his or her
13 healthcare provider and the individual meets the other eligibility
14 requirements established in paragraph (a) of this subsection.

15 (4) Notwithstanding any provision of law to the contrary, an individual who is
16 enrolled in or covered by a health plan or health insurance policy that provides
17 prescription drug benefits that is not subject to the cost sharing limits established
18 in KRS 304.17A-148(3)(b) shall be eligible for:

19 (a) The Urgent-Need Insulin Program if he or she:

20 1. Is a resident of Kentucky;

21 2. Is not enrolled in the state's Medical Assistance Program or the
22 Kentucky Children's Health Insurance Program as established in
23 KRS Chapter 205; and

24 3. Has not received an urgent-need supply of insulin through the
25 program within the previous twelve (12) months, except as permitted
26 under subsection (2)(c) of this section; or

27 (b) The Continuing Access to Insulin Program if he or she:

- 1 1. Is a resident of Kentucky;
- 2 2. Is not enrolled in the state's Medical Assistance Program or the
- 3 Kentucky Children's Health Insurance Program as established in
- 4 KRS Chapter 205; and
- 5 3. Is not eligible to receive health care through a federally funded
- 6 program or receive prescription drug benefits through the federal
- 7 Department of Veterans Affairs, except as permitted under subsection
- 8 (3)(d) of this section.

9 ➔SECTION 3. A NEW SECTION OF KRS CHAPTER 211 IS CREATED TO
10 READ AS FOLLOWS:

11 (1) By July 1, 2022, the board shall:

12 (a) Develop application forms to be used by an individual who is seeking to
13 obtain insulin under either the Urgent-Need Insulin Program or the
14 Continuing Access to Insulin Program. The application forms shall require
15 the individual to show proof that he or she meets the eligibility requirements
16 for the program under which he or she is seeking to obtain insulin as
17 established in Section 2 of this Act;

18 (b) Develop an information sheet on the Urgent-Need Insulin Program and the
19 Continuing Access to Insulin Program. The information sheet shall contain
20 the following:

- 21 1. A description of the Urgent-Need Insulin Program, including
- 22 eligibility requirements and information on how to access the
- 23 program;
- 24 2. A description of the Continuing Access to Insulin Program, including
- 25 eligibility requirements and information on how to access the
- 26 program;
- 27 3. Information on providers who participate in prescription drug

1 discount programs, including providers who are authorized to
2 participate in the 340B program under 42 U.S.C. sec. 256b;

3 4. Information about each manufacturer's consumer insulin programs;

4 5. Information on accessing prescription drug copayment assistance
5 programs; and

6 6 A notification that an individual in need of assistance may contact his
7 or her local health department for more information or assistance in
8 accessing ongoing affordable insulin options;

9 (c) Make the application forms and information sheet developed pursuant to
10 paragraphs (a) and (b) of this subsection accessible on the its Web site and
11 shall make them available to the Department for Public Health, the
12 Department of Insurance, health care providers, pharmacists, and
13 pharmacies that prescribe or dispense insulin, hospital emergency
14 departments, urgent care clinics, community health clinics, and local health
15 departments;

16 (d) Regularly update the information sheet developed pursuant to paragraph
17 (b) of this subsection; and

18 (e) Promulgate and implement administrative regulations necessary to carry
19 out Sections 1 to 7 of this Act.

20 (2) The Department for Public Health and the Department of Insurance shall make
21 the application forms and information sheet made available to them by the board
22 accessible on their Web sites.

23 ➔SECTION 4. A NEW SECTION OF KRS CHAPTER 211 IS CREATED TO
24 READ AS FOLLOWS:

25 (1) An eligible individual seeking to obtain prescription insulin under either the
26 Urgent-Need Insulin Program or the Continuing Access to Insulin Program shall
27 submit the following to a pharmacy:

1 (a) A completed, signed, and dated application form developed by the board
2 pursuant to Section 3 of this Act;

3 (b) A valid insulin prescription; and

4 (c) Proof of residency, or if the person in urgent need of insulin is under
5 eighteen (18) years of age, the individual's parent or legal guardian shall
6 provide proof of residency. Proof of residency shall include but not be
7 limited to a valid Kentucky identification card, motor vehicle or motorcycle
8 operator's license or instruction permit, utility agreement or bill, rental
9 housing agreement, or a signed letter from a homeless shelter, health care
10 facility, or social service agency that is currently providing the individual
11 with treatment or services attesting that the applicant is a resident of
12 Kentucky.

13 (2) Upon receipt of the documents identified in subsection (1) of this section:

14 (a) The pharmacist or pharmacy shall:

15 1. Dispense to the individual the prescribed insulin in an amount that
16 will provide the individual with a thirty (30) day supply;

17 2. Within seventy-two (72) hours, notify the health care practitioner who
18 issued the prescription order that the insulin was dispensed under the
19 Urgent-Need Insulin Program or the Continuing Access to Insulin
20 Program;

21 3. Provide the individual with the information sheet developed by the
22 board pursuant to Section 3 of this Act; and

23 4. Retain a copy of the application form and proof of residency submitted
24 by the individual to the pharmacy for reporting and auditing purposes;

25 (b) The pharmacist and pharmacy are encouraged to:

26 1. Inform the individual that he or she may be eligible for the state's
27 medical assistance program or children's health insurance program

1 as established in KRS Chapter 205 or an affordable insurance product
2 on the state-based marketplace; and

3 2. Notify the individual of any manufacturer-sponsored programs that
4 assist individuals who cannot afford their insulin prescriptions; and

5 (c) The pharmacist or pharmacy may:

6 1. Collect from the individual to whom the prescription insulin is
7 dispensed a copayment in an amount not to exceed twenty-five dollars
8 (\$25) to cover the pharmacy's cost of processing and dispensing; and

9 2. Except as provided in subsection (4) of this section, submit to the
10 manufacturer of the dispensed prescription insulin product or to the
11 manufacturer's vendor an electronic claim for payment that is in
12 accordance with the National Council for Prescription Drug Program
13 standards for electronic claims processing, unless the manufacturer
14 agrees to send to the pharmacy a replacement supply of the same
15 insulin product that was dispensed in the amount that was dispensed.

16 (3) If a pharmacist or pharmacy submits an electronic claim for payment to the
17 manufacturer or the manufacturer's vendor, the manufacturer or vendor shall,
18 within in thirty (30) days after receipt of the claim, either:

19 (a) Reimburse the pharmacy in an amount that is equal to the difference
20 between the pharmacy's wholesale acquisition cost for the insulin product
21 that was dispensed and any amount paid for the insulin pursuant to
22 subsection (2)(c)1. of this section; or

23 (b) Send the pharmacy a replacement supply of the same insulin in an amount
24 equal to or greater than the amount that covers the difference between the
25 pharmacy's wholesale acquisition cost for the insulin product that was
26 dispensed and any amount paid for the insulin pursuant to subsection
27 (2)(c)1. of this section.

1 (4) A pharmacy or pharmacist shall not submit a claim for payment for insulin
2 dispensed under either the Urgent-Need Insulin Program or the Continuing
3 Access to Insulin Program if the wholesale acquisition cost of the dispensed
4 insulin is less than or equal to eight dollars (\$8) per milliliter, adjusted annually
5 based on the annual percent change in the consumer price index.

6 ➔SECTION 5. A NEW SECTION OF KRS CHAPTER 211 IS CREATED TO
7 READ AS FOLLOWS:

8 By July 1, 2022, each manufacturer shall establish:

9 (1) A process for a pharmacist or pharmacy to submit an electronic claim for
10 payment as provided in Section 4 of this Act; and

11 (2) Any procedures necessary to make insulin available to eligible individuals in
12 accordance with Sections 1 to 7 of this Act.

13 ➔SECTION 6. A NEW SECTION OF KRS CHAPTER 211 IS CREATED TO
14 READ AS FOLLOWS:

15 (1) By July 15, 2023, and annually thereafter, each manufacturer shall submit a
16 report to the board containing the following information for the preceding
17 calendar year:

18 (a) The number of Kentucky residents who accessed and received an insulin
19 product produced by the manufacturer through either the Urgent-Need
20 Insulin Program or Continuing Access to Insulin Program; and

21 (b) The value of the insulin provided to residents of Kentucky by the
22 manufacturer under the Urgent-Need Insulin Program and the Continuing
23 Access to Insulin Program. As used in this paragraph, "value" means the
24 wholesale acquisition cost of the insulin provided.

25 (2) Upon receipt of a request from the Legislative Research Commission, the Interim
26 Joint Committee on Health, Welfare, and Family Services, or any other
27 committee of the Kentucky General Assembly, the board shall submit a report

1 containing the following information:

2 (a) The information reported under subsection (1) of this section;

3 (b) Any administrative penalties assessed pursuant to Section 7 of this Act,
4 including the name of the manufacturer and the amount of the penalty
5 assessed; and

6 (c) Any other information on the Urgent-Need Insulin Program and the
7 Continuing Access to Insulin Program as requested.

8 ➔SECTION 7. A NEW SECTION OF KRS CHAPTER 211 IS CREATED TO
9 READ AS FOLLOWS:

10 If a manufacturer fails to comply with Sections 1 to 7 of this Act, the board may assess
11 an administrative penalty of not more than two hundred thousand dollars (\$200,000)
12 per month of noncompliance, with the penalty increasing to not more than four
13 hundred thousand dollars (\$400,000) per month if the manufacturer continues to be in
14 noncompliance for more than six (6) months, and increasing to not more than six
15 hundred thousand dollars (\$600,000) per month if the manufacturer continues to be in
16 noncompliance after one (1) year.

17 ➔Section 8. Whereas there is urgent need to improve affordable access to insulin
18 for the roughly 500,000 Kentuckians diagnosed with diabetes, an emergency is declared
19 to exist, and this Act takes effect upon its passage and approval by the Governor or upon
20 its otherwise becoming a law.