Healthcare policy update

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2026 Legislative Session Recap

By the numbers

- 60 Day Budget Session (Long Session, 1/6 – 4/15)
- 1,293 Bills Filed (939 House Bills & 354 Senate Bills)
- 193 Bills Passed, 120 House, 73 Senate (15%)
  - 36 Governor Vetoes, 36 Overrides
  - 17 Bills have become law without Gov. Signature
- $32B State Budget Passed
- $11.6B in Road & Transportation Funding Passed
- $1.7B in One Time Spending (HB 900) for Econ Dev.



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2026 Legislative Session Recap

Health care policy By the numbers

- Senate Health Services Heard and Passed 27 Bills & Resolutions
- House Health Services Heard and Passed 26 Bills & Resolutions
- Major Medicaid Reforms Adopted
- Health Care Policy is a BIG FOCUS!





Now, lets talk about what healthcare bills passed…

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What issues did kma advocate for in 2026

Legislation supported by the kma

- **House Bill 176 (Rep. Moser) – Prior Authorization Reform PASSED**



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What issues did kma advocate for in 2026

Legislation supported by the kma

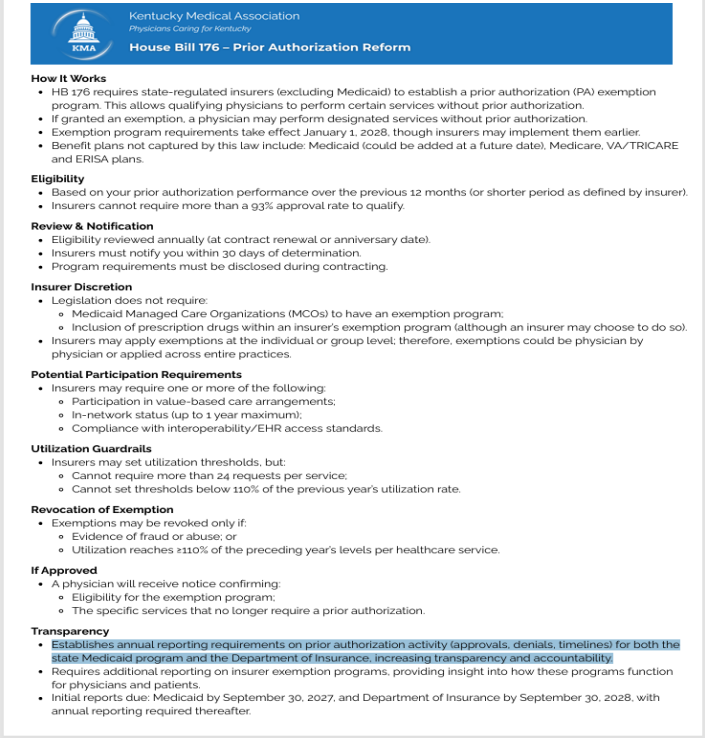
- **House Bill 176 (Rep. Moser) – Prior Authorization Reform PASSED**
- HB 176 requires state-regulated insurers (excluding Medicaid) to establish a prior authorization (PA) exemption program. This allows qualifying physicians to perform certain services without prior authorization.
- If granted an exemption, a physician may perform designated services without prior authorization.
- Exemption program requirements take effect January 1, 2028, though insurers may implement them earlier.
- Establishes annual reporting requirements on prior authorization activity (approvals, denials, timelines) for both the state Medicaid program and the Department of Insurance, increasing transparency and accountability.

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What issues did kma advocate for in 2026

Legislation supported by the kma

- **House Bill 176 (Rep. Moser) – Prior Authorization Reform PASSED**
- **Visit KYMA.org to view our detailed 1-pager:**



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House Bill 176 – Prior Authorization Reform

How It Works
- HB 176 requires state-regulated insurers (excluding Medicaid) to establish a prior authorization (PA) exemption program. This allows qualifying physicians to perform certain services without prior authorization.
- If granted an exemption, a physician may perform designated services without prior authorization.
- Exemption program requirements take effect January 1, 2028, though insurers may implement them earlier.
- Benefit plans not captured by this law include: Medicaid (could be added at a future date), Medicare, VA/TRICARE and ERISA plans.

Eligibility
- Based on your prior authorization performance over the previous 12 months (or shorter period as defined by insurer).
- Insurers cannot require more than a 93% approval rate to qualify.

Review & Notification
- Eligibility reviewed annually (at contract renewal or anniversary date).
- Insurers must notify you within 30 days of determination.
- Program requirements must be disclosed during contracting.

Insurer Discretion
- Legislation does not require:
  - Medicaid Managed Care Organizations (MCOs) to have an exemption program;
  - Inclusion of prescription drugs within an insurer's exemption program (although an insurer may choose to do so).
- Insurers may apply exemptions at the individual or group level; therefore, exemptions could be physician by physician or applied across entire practices.

Potential Participation Requirements
- Insurers may require one or more of the following:
  - Participation in value-based care arrangements;
  - In-network status (up to 1 year maximum);
  - Compliance with interoperability/EHR access standards.

Utilization Guardrails
- Insurers may set utilization thresholds, but:
  - Cannot require more than 24 requests per service;
  - Cannot set thresholds below 110% of the previous year's utilization rate.

Revocation of Exemption
- Exemptions may be revoked only if:
  - Evidence of fraud or abuse; or
  - Utilization reaches ≥110% of the preceding year's levels per healthcare service.

If Approved
- A physician will receive notice confirming:
  - Eligibility for the exemption program;
  - The specific services that no longer require a prior authorization.

Transparency
- Establishes annual reporting requirements on prior authorization activity (approvals, denials, timelines) for both the state Medicaid program and the Department of Insurance, increasing transparency and accountability.
- Requires additional reporting on insurer exemption programs, providing insight into how these programs function for physicians and patients.
- Initial reports due: Medicaid by September 30, 2027, and Department of Insurance by September 30, 2028, with annual reporting required thereafter.

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Legislation supported by the kma

- **House Bill 178 (Rep. Moser) – Psychiatric Collaborative Care**
  PASSED
- Requires health plans to cover services delivered through the psychiatric collaborative care model. This model integrates mental health treatment into primary care by covering services billed under CPT codes 99492, 99493, and 99494.
- This team-based approach allows primary care physicians to work alongside a behavioral healthcare manager and a consulting psychiatrist to better meet behavioral health needs within primary care settings.
- The bill applies to state regulated health plans beginning in 2027.

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What issues did kma advocate for in 2026

Legislation supported by the kma

- **Senate Bill 201 (Sen. Douglas) – Same Day Multiple E&M Coverage DID NOT PASS**
- SB 201 would have prohibited the department for Medicaid Services and contracted managed care organizations from limiting coverage for evaluation and management services to fewer than 2 per provider per patient per date of service.
- Longstanding Medicaid regulation repealed this year.
- SB 201 is a part of a larger effort to ensure that the practices get reimbursed for the actual level of care that is provided.

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Legislation supported by the kma

- **Senate Joint Resolution 116 (Sen. Stivers)** – Addressing the Physician Workforce Shortage **PASSED**

- Directs UK, U of L, and EKU to collaborate to identify solutions to strengthen the state's physician workforce, particularly in underserved areas.

- Work group began meeting in May and will make it's recommendation at the end of this year.

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2026 Legislative Session Recap

Notable Medicaid legislation passed by the general assembly

House Bill 2 (Rep. Fleming) – Medicaid Reform

- Aligns Kentucky's Medicaid program with the federal legislation, HR1, passed by Congress last year
- Reinstates Medicaid co-pays beginning October 2028, they will be $5 for all health care services (excluding primary care, mental health services, SUD services, care provided in a CCBHC, RHC, FQHC, and any prohibition in federal law (services for individuals under 21/pregnant women) and $1 for any prescription medications
- HB 2 requires DMS to conduct Medicaid eligibility redeterminations beginning once every 6 months starting in 2027

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2026 Legislative Session Recap

Healthcare bills passed by the general assembly

House Bill 2 (Rep. Fleming) – Medicaid Reform Continued

- Requires Medicaid expansion patients ages 19-64 to participate in 80 hours of a "qualifying activity" per month, which could mean work, community service, job training or education, in order to stay enrolled in Medicaid.
- Establishes a pilot program that will be ran by the Volunteers of America to help people who fall off the benefits cliff in Medicaid have access to wraparound services and employment opportunities. General Assembly appropriated $5M in funding to support the program.
- Lastly, the legislation creates a work group within the Medicaid Oversight Advisory Board to look at the wait lists for the Medicaid waivers.

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What issues did kma track in 2026

Legislation that didn't pass - but we may see them again

- **HB 586 (Rep. Clines) – Sunscreen in Schools (KMA Supported w/ KDA)**

Allowed students to carry and self-apply sunscreen by defining it as an FDA-approved over-the-counter product rather than a medication. A parent or guardian note would be sufficient to authorize the use of sunscreen for students in kindergarten through grade 5, while no such note would be required for students in grades 6 through 12.

- **HB 135 (Rep. Raymer) – Breast Cancer Early Detection Coverage (KMA Supported)**

Expanded and modernized coverage for breast cancer screenings. The bill proposed requiring annual mammography coverage for individuals ages 40 to 49, expanding supplemental imaging based on individual risk, and eliminating cost-sharing for covered examinations. This legislation would have only applied to the state regulated health plans.

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Legislation that didn't pass - but we may see them again

- **SB 74 (Sen. Richardson) – Youth Vaping Prevention (KMA Supported)**

In 2022 KY was awarded $14M to resolve allegations that it violated Kentucky's consumer protection laws through deceptive marketing and sales practices, particularly marketing that appealed to underage users. Those payments have been collected by the state and have gone into the state's general operating fund.

SB 74 would have directed the remaining settlement funds from the JUUL e-cigarette litigation to go specifically towards youth prevention and cessation programs.

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What issues did kma track in 2026

Legislation that didn't pass - but we may see them again

- **HB 248 (Rep. Williams) – Violence Prevention in Healthcare Facilities, Hospital Police Departments (KMA Supported)**

Preventing violence in healthcare settings has been another emerging issue in recent years. HB 248 would have allowed hospitals to create their own police departments, granting officers the authority to make arrests, enforce hospital rules, protect staff and patients on hospital property, and cooperate with other law enforcement. Thus, providing another layer of added security for the larger hospital systems.

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What issues did kma track in 2026

Legislation that didn't pass - but we may see them again

- **HB 713 (Rep. Nemes) – Violence Prevention in Healthcare Facilities Cont. (KMA Supported)**

HB 713 required healthcare facilities to:

1. Maintain a workplace safety assessment and workplace safety plan
2. Provide violence prevention training to all health care workers upon hire and annually thereafter
3. Maintain an internal reporting system through which health care workers may report incidents of workplace violence
4. Prohibit retaliation against any health care worker who makes a report of workplace violence in good faith
5. Conduct periodic reviews of incidents of workplace violence and updates its workplace safety plan as needed; and
6. Display a notice in a prominent location advising of the possible consequences of threatening or aggressive behavior toward health care workers.

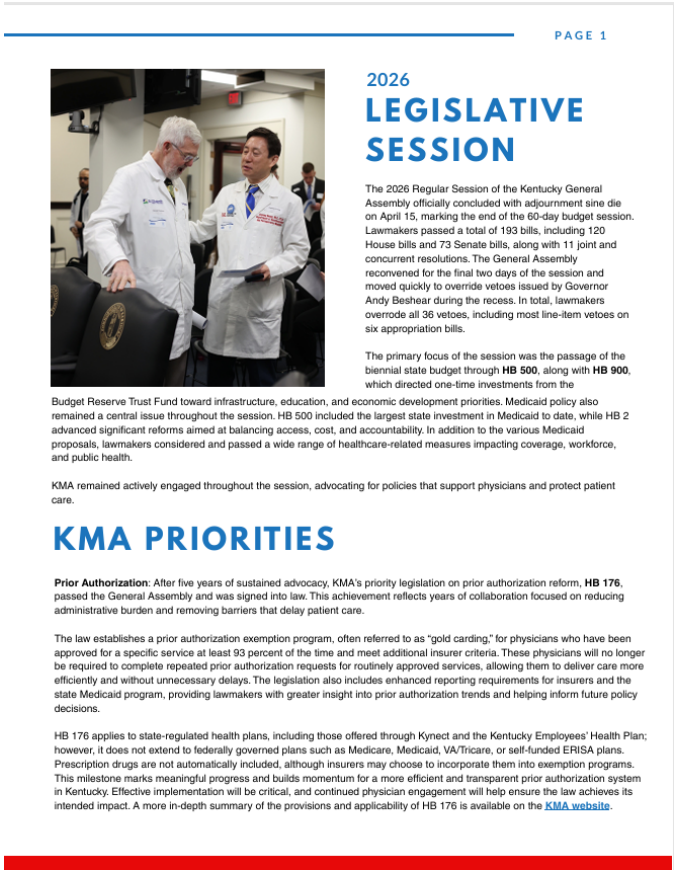
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What issues did kma track in 2026

- **To see a full list of all the issues that KMA tracked in 2026**

  Visit KYMA.org to view our detailed 1-pager:





PAGE 1

2026

LEGISLATIVE SESSION

The 2026 Regular Session of the Kentucky General Assembly officially concluded with adjournment sine die on April 15, marking the end of the 60-day budget session. Lawmakers passed a total of 193 bills, including 120 House bills and 73 Senate bills, along with 11 joint and concurrent resolutions. The General Assembly reconvened for the final two days of the session and moved quickly to override vetoes issued by Governor Andy Beshear during the recess. In total, lawmakers overrode all 36 vetoes, including most line-item vetoes on six appropriation bills.

The primary focus of the session was the passage of the biennial state budget through **HB 500**, along with **HB 900**, which directed one-time investments from the Budget Reserve Trust Fund toward infrastructure, education, and economic development priorities. Medicaid policy also remained a central issue throughout the session. HB 500 included the largest state investment in Medicaid to date, while HB 2 advanced significant reforms aimed at balancing access, cost, and accountability. In addition to the various Medicaid proposals, lawmakers considered and passed a wide range of healthcare-related measures impacting coverage, workforce, and public health.

KMA remained actively engaged throughout the session, advocating for policies that support physicians and protect patient care.

KMA PRIORITIES

Prior Authorization: After five years of sustained advocacy, KMA's priority legislation on prior authorization reform, **HB 176**, passed the General Assembly and was signed into law. This achievement reflects years of collaboration focused on reducing administrative burden and removing barriers that delay patient care.

The law establishes a prior authorization exemption program, often referred to as "gold carding," for physicians who have been approved for a specific service at least 93 percent of the time and meet additional insurer criteria. These physicians will no longer be required to complete repeated prior authorization requests for routinely approved services, allowing them to deliver care more efficiently and without unnecessary delays. The legislation also includes enhanced reporting requirements for insurers and the state Medicaid program, providing lawmakers with greater insight into prior authorization trends and helping inform future policy decisions.

HB 176 applies to state-regulated health plans, including those offered through Kynect and the Kentucky Employees' Health Plan; however, it does not extend to federally governed plans such as Medicare, Medicaid, VA/Tricare, or self-funded ERISA plans. Prescription drugs are not automatically included, although insurers may choose to incorporate them into exemption programs. This milestone marks meaningful progress and builds momentum for a more efficient and transparent prior authorization system in Kentucky. Effective implementation will be critical, and continued physician engagement will help ensure the law achieves its intended impact. A more in-depth summary of the provisions and applicability of HB 176 is available on the KMA website.

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2027 Legislative session

Overview

- 30 Day Non-Budget Session
- January 5th – March 30th
- Policy Focused – No budget to tackle
- New members - Atleast 12 New Members (Could be more depending on election results)
- New Executive Branch Administration at the End of 2027



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2027 Legislative session

KMA Legislative priorities in 2027

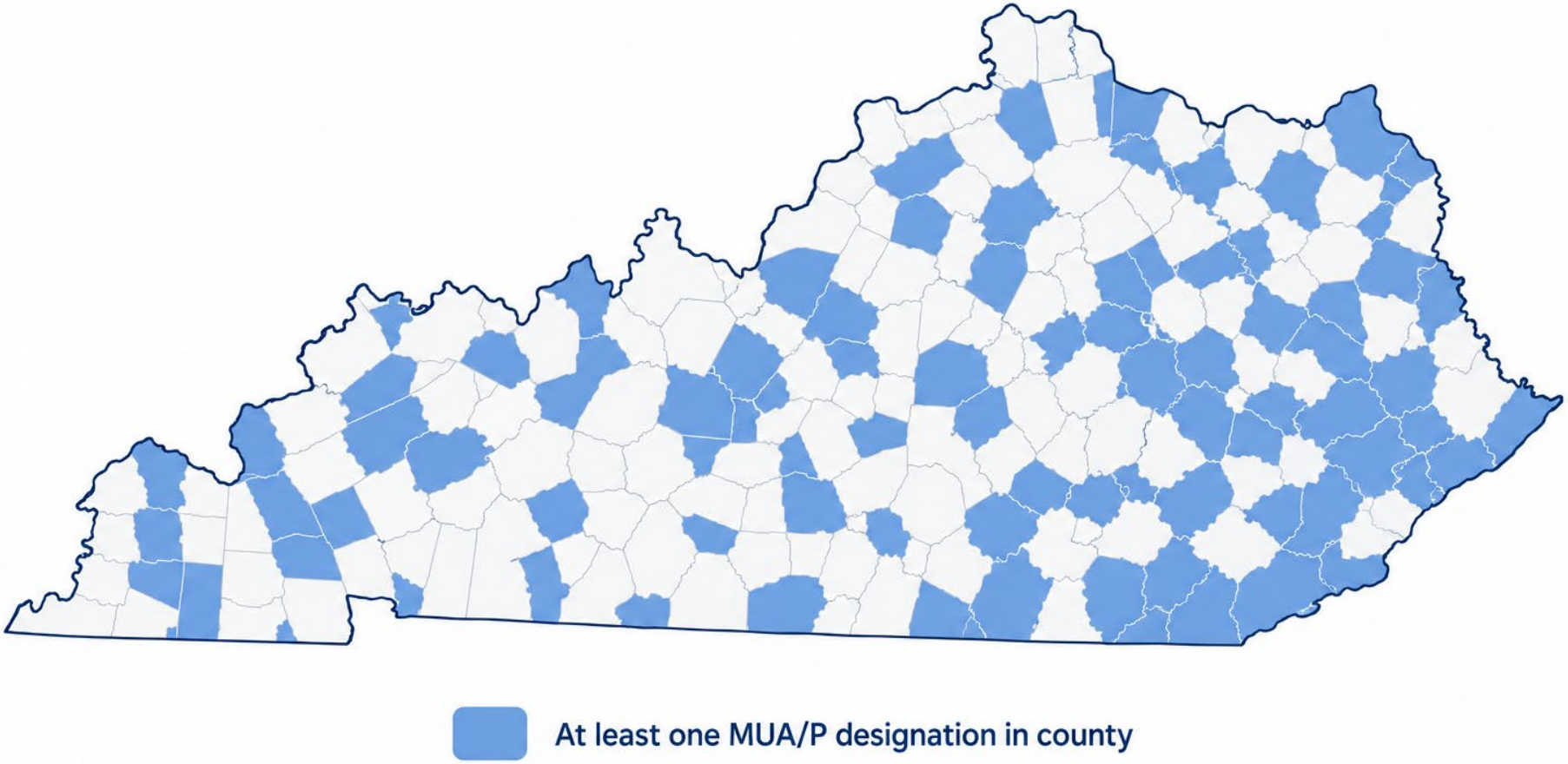
During the 2027 Legislative Session KMA will be Promoting Policies to Address the Physician Workforce Shortage

Which May Include:

- **Expanded loan forgiveness funding for commitment to practice in an underserved community**
- **Expanding existing GME programs**
- **Supports for preceptors & resources for teaching sites**
- **UME Scholarships for students committing to practice in KY**

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Kentucky Counties with HRSA MUA/P Designations



County-level summary: a designation may cover only part of a county or a specific population.

Illustrative layout — verify county shading against current HRSA data before official use.

2027 Legislative session

KMA Legislative priorities in 2027

Improving Physician Wellness

- KMA will be supporting credentialing reform legislation that will prohibit questions about past or current health conditions that do not impair a physician's ability to practice safely on hospital/insurer credentialing applications.

- This language was included as a small part of Senator Douglas's SB 78 this past session, he plans to refile the legislation in 2027.

- Part of a national trend to remove these questions from credentialing and licensure applications

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2027 Legislative session

KMA Legislative priorities in 2027

Improving Physician Wellness

63% of surveyed physicians stated that the impact on employment/credentials/privileges was a barrier to accessing mental healthcare

Figure 6: More than half of MDs/DOs reported that impact on license or credentialing is a moderate or greater barrier to accessing mental health care

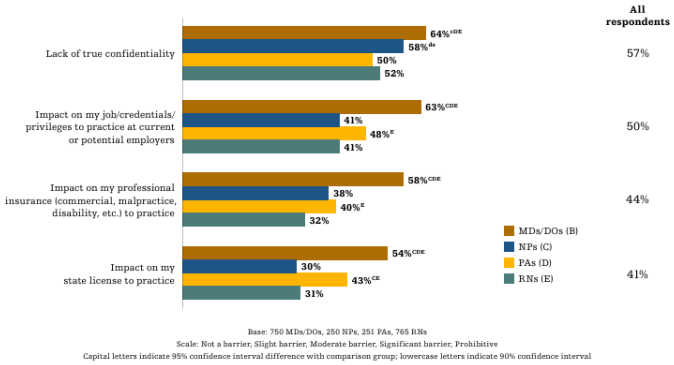
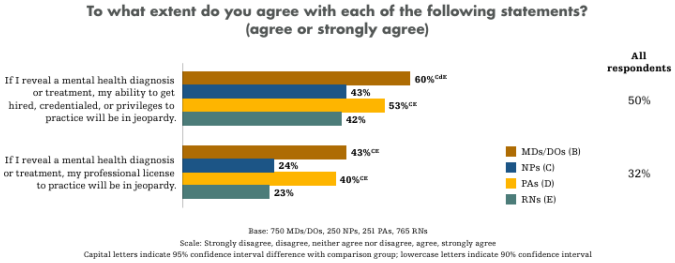


Figure 7: Half of clinicians believe that revealing a mental health diagnosis or treatment puts their ability to practice in jeopardy



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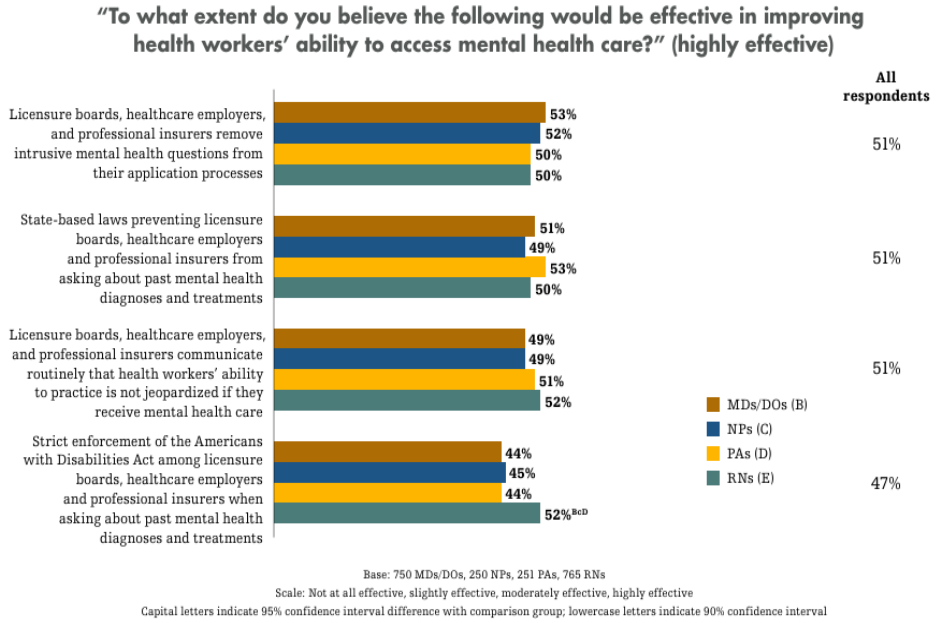
2027 Legislative session

KMA Legislative priorities in 2027

Improving Physician Wellness

53% of surveyed physicians stated that removing intrusive mental health questions from credentialing/licensure applications would improve healthcare professionals' ability to access mental healthcare.

Figure 27: About half of respondents said removing discriminatory policies from licensure, hiring, credentialing and insurance would be highly effective in improving access to mental health care



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2027 Legislative session

KMA Legislative priorities in 2027

Medicaid Reforms

- KMA will again be supporting legislation that will prohibit the department for Medicaid Services and contracted managed care organizations from limiting coverage for evaluation and management services to fewer than 2 per provider per patient per date of service.

- KMA will be promoting policies to address longstanding Medicaid reimbursement challenges.

- Specifically, the enhancement of the ACA designated primary care codes 99201-99215

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Legislative advocacy

Know the issues: bill tracking



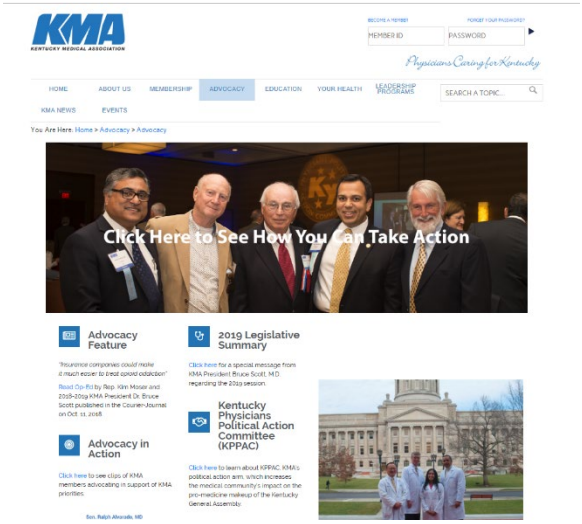
https://legislature.ky.gov/Pages/index.aspx

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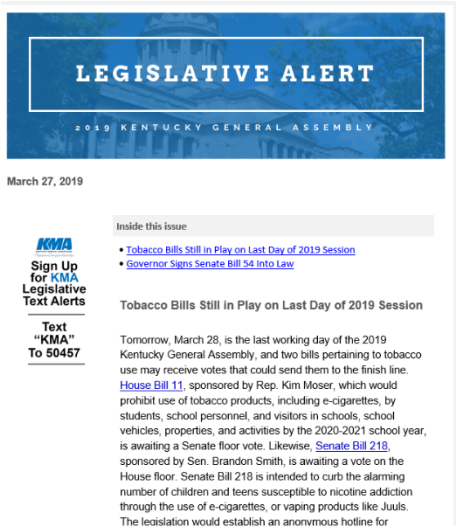
Legislative advocacy

know the Issues: Resources

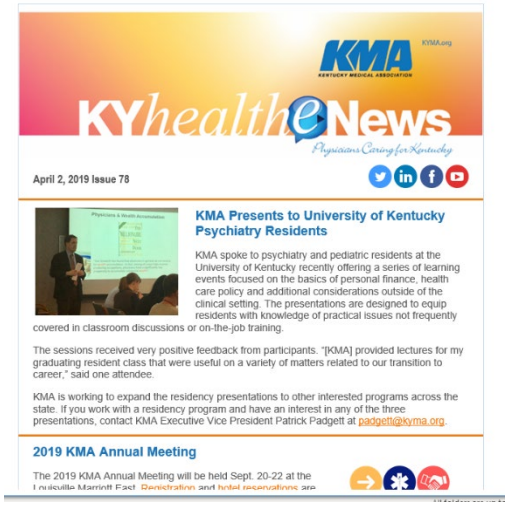
KMA Legislative Action Center



KMA Legislative Alert



KMA Kentucky Health e-News



KMA Legislative Text Alerts



Kentucky Educational Television



"Comment on Kentucky"
"Kentucky Tonight"
"Legislative Update"

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Legislative advocacy

Effective communication: Contacting your Legislator

- Locate and send an email through:

  KMA's Online Legislative Action Center at kyma.org

- Call the Legislator Message Line:

  1-800-372-7181

- Email:

  Legislator email addresses can be found at www.legislature.ky.gov



your advocacy is important..so that the reaction to new healthcare laws isn't this..



"Stand by, new healthcare legislation coming in."

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But instead, is this!



"Stand by, new healthcare legislation coming in."

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Questions

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