GENERAL ASSEMBLY
COMMONWEALTH OF KENTUCKY

2015 REGULAR SESSION

SENATE BILL NO. 107

AS ENACTED

MONDAY, MARCH 23, 2015

RECEIVED AND FILED
DATE March 30, 2015
3:40pm

ALISON LUNDERGAN GRIMES
SECRETARY OF STATE
COMMONWEALTH OF KENTUCKY
BY K. Adler

1 AN ACT relating to health providers.

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

3 ➔Section 1. KRS 205.8477 is amended to read as follows:

4 (1) Each ***Medicaid provider, other than an individual practitioner or group of***
5 ***practitioners, fiscal agent that processes or pays vendor claims on behalf of the***
6 ***Medicaid agency, and managed care entity***[~~health facility and health service as~~
7 ~~defined in KRS 216B.015 and each provider, participating in the Medical~~
8 ~~Assistance Program~~] shall[~~, as a condition of participation in the Medical~~
9 ~~Assistance Program,~~] file ***a disclosure***[~~annually~~] with the Cabinet for Health and
10 Family Services ***in accordance with 42 C.F.R. 455.104***[~~the names and addresses of~~
11 ~~all persons having direct or indirect ownership or control interest, as defined in 42~~
12 ~~C.F.R. 455.101, with five percent (5%) or more interest in the health facility, or~~
13 ~~health service or the business of the provider and those Medical Assistance Program~~
14 ~~participating health facilities or health services with which the reporting provider, or~~
15 ~~health facility, or health service engages in a significant business transaction or a~~
16 ~~series of transactions that during any one (1) fiscal year, exceed the lesser of twenty-~~
17 ~~five thousand dollars ($25,000) or five percent (5%) of the total operating expenses~~
18 ~~of the provider, or health facility, or health service. The list of names and addresses~~
19 ~~shall be made available by the cabinet for public inspection during regular business~~
20 ~~hours and shall be updated annually~~].

21 (2) Each owner of or direct financial investor in any health facility or health service
22 which dispenses or supplies drugs, medicines, medical devices, or durable medical
23 equipment to a patient shall [~~annually~~]file ***a disclosure*** with the Cabinet for Health
24 and Family Services ***of*** the names and addresses of any immediate family member
25 who is authorized under state law to prescribe drugs or medicines or medical
26 devices or equipment.

27 ***(3) Each provider shall, as a condition of participation in the Medical Assistance***

1 ***Program, file a disclosure with the Cabinet for Health and Family Services in***
2 ***accordance with 42 C.F.R. 455.105 relating to business transactions and in***
3 ***accordance with 42 C.F.R. 455.106 relating to information on persons convicted***
4 ***of crimes.***
5 ***(4) Disclosures required under this statute shall be provided at any of the following***
6 ***times or as otherwise provided by law:***
7 ***(a) Upon submitting a provider application;***
8 ***(b) Upon executing a provider agreement;***
9 ***(c) Upon request of the Cabinet for Health and Family Services during a***
10 ***provider's revalidation of enrollment;***
11 ***(d) Within thirty-five (35) days after any change in ownership of a health***
12 ***facility or health service, fiscal agent, or managed care entity;***
13 ***(e) Upon the submission of a proposal in accordance with the state's***
14 ***procurement process by a fiscal agent or by a managed care entity;***
15 ***(f) Upon execution, renewal, or extension of a contract by the state with a***
16 ***fiscal agent or a managed care entity; or***
17 ***(g) Upon written request within thirty-five (35) days by the Cabinet for Health***
18 ***and Family Services.***
19 ➔Section 2. KRS 212.786 is amended to read as follows:
20 (1) The independent district board of health shall be ***composed***[~~comprised~~] of the
21 following members:
22 ***(a)*** The judge/executive or his designee as an ex officio member from each
23 participating county***;***[~~,~~]
24 ***(b)*** The chairman from each participating local board of health as an ex officio
25 member***; and***[~~,~~]
26 ***(c)*** Additional members appointed by the judge/executive with the approval of the
27 ***fiscal court***[~~local board of health~~] including, at least to the extent practicable,

1 ***from the following professions:***

2 ***1. Registered nurses;***

3 ***2. Licensed veterinarians;***

4 ***3. Licensed dentists;***

5 ***4. Licensed physicians;***

6 ***5. Licensed podiatrists;***

7 ***6. Licensed optometrists;***

8 ***7. Mental health professionals;***

9 ***8. Public health professionals;***

10 ***9. Consumers; and***

11 ***10. Licensed pharmacists***[~~ twenty-five percent (25%) who shall be licensed~~

12 ~~physicians, ten percent (10%) who shall be licensed dentists, twenty-five~~

13 ~~percent (25%) who shall be licensed registered nurses, ten percent (10%)~~

14 ~~who shall be licensed veterinarians, ten percent (10%) who shall be~~

15 ~~pharmacists, and twenty percent (20%) who shall be consumer~~

16 ~~members~~].

17 ***The appointments under paragraph (c) of this subsection shall be made taking***

18 ***into consideration the need for a balanced representation on the board of the***

19 ***professions listed under paragraph (c) of this subsection.*** Each member shall serve

20 a term of two (2) years with a maximum of three (3) consecutive terms, except ex

21 officio members who shall continue to serve.

22 (2) The judge/executive, or his designee and the chairman of the local board of health

23 shall serve as ex officio members of the district board of health. Additional

24 appointments shall be based on population. Each county shall have an appointment

25 of one (1) member for ***thirty thousand (30,000)***[~~fifteen thousand (15,000)~~]

26 population or portion thereof. Additional members shall be at a rate of one (1)

27 member per whole increment of ***thirty thousand (30,000)***[~~fifteen thousand~~

1 ~~(15,000)~~] population. The mayor of each city containing a population equal to or
2 greater than fifteen thousand (15,000) based upon the most recent federal decennial
3 census, or his or her designee, shall serve as an ex officio member of the district
4 board of health and shall count against the population-based appointees.
5 (3) ***All appointments made prior to the effective date of this Act shall remain***
6 ***unaffected, and the appointed members shall serve the remainder of their terms.***
7 ***The most recent estimates published by the United States Department of***
8 ***Commerce, Bureau of the Census shall be used for appointments based on***
9 ***population made after the effective date of this Act***[~~The original appointments by~~
10 ~~the judge/executive to the board shall be made within thirty (30) days of July 13,~~
11 ~~1990. One-half (1/2), or the nearest portion thereof, shall be appointed for a term to~~
12 ~~expire June 30, 1991 and one-half (1/2), or the nearest portion thereof, shall be~~
13 ~~appointed for a term to expire June 30, 1992. All subsequent appointments and~~
14 ~~successors shall be appointed in accordance with the provisions of this section~~].
15 (4) The judge/executive shall fill all vacancies occurring by reason of death,
16 resignation, or disqualification and do so for the unexpired term.
17 ➔Section 3. KRS 212.784 is amended to read as follows:
18 (1) Independent district departments of health shall be governed by an independent
19 district board of health which shall be a body politic and corporate. The board shall
20 have jurisdiction throughout the counties, including within all municipalities of the
21 counties with respect to and in accordance with the provisions of KRS 212.780 to
22 212.794. The board may, in its corporate name, sue and be sued, contract and be
23 contracted with, acquire real, personal, and mixed property by deed, purchase, gift,
24 devise, lease, or otherwise, and mortgage, pledge, sell, convey, or otherwise dispose
25 of same. The board may make appropriate rules and regulations and do all things
26 reasonable or necessary in order to carry out the work and to properly perform the
27 duties intended as required under the provisions of KRS 212.780 to 212.794 ***except***

1 ***that the board shall not adopt, unless otherwise provided by law, rules and***
2 ***regulations in conflict with state laws or administrative regulations***. The title to
3 all property acquired for purposes of KRS 212.780 to 212.794 whether real,
4 personal, and mixed, or whether acquired by deed, gift, purchase, devise, or
5 otherwise, shall vest in the board and shall be exempt from taxation. When and
6 after the board and department established under the provisions of KRS 212.782 are
7 organized, and except as otherwise provided herein, the board and department shall
8 succeed to and be vested with all of the functions, obligations, powers, duties,
9 immunities, and privileges now being exercised by the district board of health and
10 district department of health, and thereupon the district board of health and district
11 department of health shall cease to exist and all laws and amendments to any such
12 laws, relating to and governing the district board of health and district department of
13 health, in conflict with the provisions of KRS 212.780 to 212.794 shall, to the
14 extent of such conflict, stand and be repealed.
15 (2) When an independent district board of health is created pursuant to KRS
16 212.782, all powers and duties of the previous district board of health and
17 local boards of health, except as otherwise provided in KRS 212.780 to
18 212.794, are transferred to the newly created independent district board of
19 health and independent district department of health. Independent district
20 boards of health and independent district departments of health established
21 under KRS 212.782 shall succeed to and be vested with all the functions,
22 powers, obligations, duties, immunities, and privileges exercised by a district
23 health department and local board of health.

President of Senate

Speaker-House of Representatives

Attest: Chief Clerk of Senate

Approved Governor

Date 3/30/15