For Healthy Kentucky Families:

Andy Beshear’s Health Care Plan

March 26, 2019
As a Commonwealth, we have made great strides over the past decade to strengthen our health care system and make it more affordable and accessible to Kentucky families. In 2010, 20 percent of Kentuckians lacked any form of coverage that would provide the preventive and ongoing care they needed. Women or those with pre-existing conditions could be discriminated against and denied coverage or be forced to pay more by their insurance companies.

Kentuckians weren’t guaranteed coverage for maternity care or substance abuse, while they risked triggering lifetime limits on care that could leave them bankrupt in an attempt to treat a chronic illness.

Today, all that has changed. We’ve driven our uninsured rate down to just 7.5 percent, the largest reduction in the country. And Kentuckians receive better health care coverage at more sustainable long-term rates.

Yet Matt Bevin and out-of-state politicians and interest groups are threatening to tear away coverage and attempting to turn the clock back to a time when we had to pay more for worse care. We must take action here at the state level to protect Kentuckians and make sure we protect and build on the progress that we’ve made toward becoming a healthier state.

As your next governor, I will make the health and well-being of all Kentuckians a top priority and put in the work necessary to see true improvement in our health care systems. To achieve these health care goals, my administration will pass legislation that outlaws discrimination and denial of coverage based on gender or pre-existing conditions on the state level. We will ban lifetime limits and require insurers by state law to cover dependents up to 26-years-old; and cover mental health care and substance abuse treatment. By allocating more resources for outpatient mental health treatment under Tim’s Law and for our senior care systems, such as the Senior Health Insurance and the Hart-Supported Living programs, we will continue expanding access to care.

As governor, I will further protect Medicaid, rescind Matt Bevin’s callous expanded Medicaid waiver, and ensure Kentucky gets its fair share of federal dollars. And with state legislation that requires drug companies to declare and justify price increases and by enforcing a drug spending cap on Medicaid, we will make prescription drugs more affordable for Kentuckians. By putting these measures in place at the state level now, we can ensure Kentuckians have access to fair and affordable care for generations to come.

Andy Beshear

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1 “Interview: former Gov. Steve Beshear explains how he sold deep-red Kentucky on Obamacare,” Sarah Kliff and Byrd Pinkerton, Vox, 2/27/17
2 “Interview: former Gov. Steve Beshear explains how he sold deep-red Kentucky on Obamacare,” Sarah Kliff and Byrd Pinkerton, Vox, 2/27/17
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PART ONE

ENSURING QUALITY AND COMPREHENSIVE COVERAGE FOR ALL KENTUCKIANS
ENSURING QUALITY AND COMPREHENSIVE COVERAGE FOR ALL KENTUCKIANS

Expanding Access to Health Care
As Attorney General, I am proud to stand with 15 of my colleagues in opposition to the Texas et. Al. v. United States lawsuit, in which out-of-state interest groups and politicians are attempting to eliminate the health care advances we’ve gained. If this dangerous lawsuit ultimately succeeds, important protections that Kentuckians benefit from will vanish, unless we take state-level action.

This means the 1,795,500 Kentuckians who have a pre-existing condition could see their costs skyrocket or even lose their coverage entirely. That’s nearly half of our state population now at risk of being unable to afford health care. Luckily, in Kentucky, we don’t need Washington politicians and lawyers to tell us what to do. When health care reform passed in 2010, Kentucky chose to forge our own programs instead of joining the new federal system, and we expanded health care coverage to almost half a million Kentuckians before Matt Bevin began dismantling our state exchange.

When Kentucky expanded Medicaid, we did so because it was predicted to not only bring health care to people who needed it most, but also to bring $15 billion to our economy and create 17,000 new jobs. Now, the progress we made as a state regarding health care is being threatened by both Washington and Matt Bevin. It is crucial we keep doing what is best for Kentucky. I am running for governor because I have a plan to ensure that access to health care remains open to Kentuckians who need it.

Guaranteeing Coverage for People with Pre-Existing Conditions
Six years ago, Kentucky said we’re taking charge of healthcare reform and that’s what we did, creating the Kynect program, one of the most successful in the country. Matt Bevin thought that the federal government could do a better job and dismantled Kynect. That was dead wrong, and as governor, I will fix it.

When we lead from Kentucky, we succeed. In the first year, expanding health care access injected about $2 billion into our economy and almost half a million Kentuckians got access to the care they needed through the expansion of Medicaid. In addition, before the reform, even more Kentuckians—almost 2 million—lived in fear of losing the health insurance they did have. That’s because insurance companies could deny coverage to anyone with a pre-existing condition—anything from asthma to hemophilia to pregnancy.

Insurance companies were getting away with counting a decades old, one-time illness as a “pre-existing condition.” This was the case for Susan Owens, who The Herald Leader reported was denied coverage by an insurance company. Owens was not even aware that she had anything that counted as a pre-existing condition. Yet, on the individual insurance market, one company refused to cover her, and another would only do so for $650 per month. Despite being “pretty darn healthy,” Owens was barred from affordable health care.

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3 “Number of Americans with Pre-Existing conditions,” Emily Gee, Center for American Progress, 4/5/17
4 “Kentucky was one of the states to benefit most when pre-existing coverage was added to health reform,” Al Cross, KY Forward, 1/23/2017
5 “Interview: former Gov. Steve Beshear explains how he sold deep-red Kentucky on Obamacare,” Sarah Kliff and Byrd Pinkerton, Vox, 2/27/17
6 “Interview: former Gov. Steve Beshear explains how he sold deep-red Kentucky on Obamacare,” Sarah Kliff and Byrd Pinkerton, Vox, 2/27/17
7 “One woman’s cautionary health insurance tale: living is a pre-existing condition,” Susan Owens, Herald Leader, 5/10/17
Even those who were able to secure a plan covering a pre-existing condition lived in constant fear of losing that coverage. *The Courier Journal* described that fear when it reported Nate’s story. As a child, Nate’s hydrocephalus and other Spina Bifida-related health issues were pre-existing conditions that insurers in the individual market would have denied coverage for. This meant his parents were so completely dependent on Nate’s father’s employers’ insurance that he was once forced to beg for his job back. Without Nate’s father’s employers’ insurance, they were afraid no company would cover the care Nate needed to survive. Now, Colleen is worried about Nate’s care again for the first time since Kentucky banned insurance companies from denying coverage for pre-existing conditions. She is joined by many others across our state as politicians in Washington use the courts to fight against protecting pre-existing condition coverage.

With the system we created in Kentucky after the Affordable Care Act was passed, no insurer can refuse Susan like they did back in 2003. We knew what was right for Kentucky then, and we know what is right now, regardless of what Washington does. Once again, we have to take matters into our own hands and work to pass Kentucky laws that guarantee coverage for people with pre-existing conditions, such as cancer, diabetes or asthma. As governor, I will make it a goal to enact protection laws so Kentuckians are guaranteed coverage even if the current protections are repealed by Congress or overturned by the U.S. Supreme Court.

**Ending Health Care Discrimination Against Women**

Right now, Kentucky ranks 43rd in women’s health, giving us a grade of D-. We have to do better. Yet our system would get even worse if we lost some of the crucial protections that Kentuckians enjoy. Our system’s categorization of conditions like pregnancy and breast cancer as “pre-existing” unfairly burdens women. The Center for American Progress estimated that without pre-existing coverage protections, Kentuckians could pay as much as $25,930 in premiums for breast cancer treatments and as much as $15,660 for maternity care, which only 12% of individual market plans offered at all. Not only that, but before the national reforms, insurance companies were charging women as much as 57% more than men for the same coverage. That’s simply unacceptable.

One woman who shared her story with the National Women’s Law Center (NWLC), described how a week before her 90-day waiting period for employer health insurance would have been over, she was suddenly denied coverage because she was going to have a baby. Because of this, she remembered that “instead of worrying about what kind of diapers to buy or which breast pump to use, I was worrying about getting basic healthcare during my pregnancy.” After the ACA was passed, we made sure that insurance companies could not deny coverage to any woman in Kentucky just because she was having a child.

Yet now, a group of lawyers and politicians could strip health care from about half a million Kentuckians on expanded Medicaid coverage, and make it legal once again for insurance companies to charge women more than men and allow companies to deny health care to pregnant women or those suffering from breast cancer. As governor, I will work to pass state laws that protect women’s access and ability to...

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8 “Once saved by Obamacare, mom frets for future,” Chris Kenning, Courier Journal, 1/18/17
9 “Once saved by Obamacare, mom frets for future,” Chris Kenning, Courier Journal, 1/18/17
10 “Status of Women in the state,” Kentucky, accessed 3/8/19
12 “Women and the Health Care Law in the United States,” National Women’s Law Center, 2019
13 Defending Health Care in 2017: What is at stake for Kentucky,” Families USA, 12/16
14 “Worst TBT ever: when being a woman was a pre-existing condition,” Brandle Temple, The Latest, National Women’s Law Center, 1/19/17
15 “Medicaid covered more than 650,000 adult Kentuckians in third quarter 2016,” Foundation for a Healthy Kentucky, 2/9/17
afford breast cancer screenings, maternity care, and other essential treatments. I will work towards passing state-level legislation that makes it illegal for insurance companies to charge women more than men and illegal for them to deny coverage for “pre-existing conditions” such as pregnancy.

Prioritizing Mental Health
Mental health care is just as important as physical health care. Kentucky ranks 49th for mental health and well-being and 49th for the number of people who suffer from depression. In 2015, suicide killed more Kentuckians than automobile accidents. Nearly 114,000 Kentuckians are living with schizophrenia or bipolar disorder.

That is why we must protect our system from Washington’s whims by passing state legislation that requires all health care plans to cover behavioral health treatments, mental health inpatient services and substance abuse treatment. As governor, I will pass legislation that protects coverage for pre-existing mental conditions and substance use disorders that affect more than 600,000 Kentuckians. My administration will work to increase the amount of funding and resources allocated to mental health care, including a focus on opioid and other substance abuse in Eastern Kentucky. I will also devote resources to bringing awareness to Tim’s Law, which created a process for allowing judges to place those struggling with serious mental illness into outpatient treatment programs with medication, counseling and public assistance provided.

Strengthening Senior Services and Long-Term Care Support
There are about 715,000 Kentuckians currently 65 years or over. My administration will work to improve our current programs and create more options for quality care and support services. I will make it a goal to secure more funding for the Senior Health Insurance Program (SHIP) and the Hart-Supported Living Program created under Kentucky Law.

Expanding SHIP, a free health care counseling service for seniors and pre-retirees, will bridge that crucial gap between our seniors and the care they are entitled to. My administration will pass legislation that authorizes funds for more counselors and more frequent training so that anyone seeking assistance from SHIP has instant access to a counselor and receives the latest information about Medicare, Medicaid and low income assistance for prescription costs.

Many Kentuckians across the state are eligible for the unique care that comes with the Hart-Supported Living Program but are not able to benefit due to limited resources. Recipients of Hart Support benefit from free, quality support services, while still retaining the freedom of staying in their own home, participating in community activities and determining their own level of living assistance. As it is a grant-funded system, I will work with state legislators to secure larger grants so that the program can accept a higher number of its applicants.

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17 “If Kentucky had used its laws, my schizophrenic brother might be alive,” Heather Durham, Courier Journal, 12/7/18
18 “Mental illness common, often untreated,” Brighid Kleinman, Eric Russ, and Christen T. Logue, Herald Leader, 5/19/17
19 “Obamacare change their lives. Now these Kentuckians worry they’ll lose coverage,” Eric Bosco, Herald Leader, 1/18/18
20 “Kentucky passed Tim’s Law to help mentally ill get treatment. Here’s what went wrong,” John Cheves, Herald Leader, 11/12/18
21 “Kentucky Quick Facts,” United States Census, 7/1/2018
Making Health Care More Affordable

When previous administrations chose to develop Kentucky’s own health system rather than use the new federal health care system, they did so because they believed Kentuckians knew what was best for Kentucky. But Matt Bevin eliminated Kynect, despite widespread recognition of Kynect’s success, and now threatens to limit or even eliminate expanded Medicaid. We need to build on the progress we have made covering so many Kentucky families, not end it for petty political reasons.

Sustaining the ban on lifetime coverage cost limits

The lifetime limit ban enacted as part of the Affordable Care Act in 2014 has saved many families who would have otherwise faced bankruptcy, and I want Kentuckians to have limitless coverage guaranteed by state law.

Timmy Morrison’s case provides an example of how the lifetime limit ban has helped families. He was born premature and spent the first six months of his life in the Neonatal Intensive Care Unit. According to a Vox report, Timmy had hit the $1 million lifetime limit of his insurance plan within the first three months of his life. Luckily, the Affordable Care Act’s ban on lifetime limits had been enacted just days before Timmy’s birth, allowing him to get the care he needed to survive. At six years old, Timmy still needs hundreds of thousands of dollars-worth of medical care, which Vox said his family can afford only due to health care reform.

To make sure that state insurance companies must continue to give Kentucky the unlimited lifetime coverage they need, I will advocate for legislation that makes a lifetime limit ban a state law, not just a national one that can be overturned by others.

Allowing children to remain on their parent’s plans up to age 26

In six years of allowing children to stay on their parent’s plans until age 26, 2.3 million young adults have had access to health coverage they could not have obtained otherwise. For Khadija from Louisville, this has made all the difference to her young adult children. She says that “health care reform has removed a great worry from our shoulders” now that her daughter, who does not have employer-provided health care, and her son, who has diabetes, are covered. My administration will make it a priority to ensure this provision is enacted in Kentucky so that our young people can continue to be protected until age 26.

Ensuring Preventative Services Aren’t Billed

While national reforms technically made it so that preventative care is covered with no out of pocket expenses, too often this doesn’t happen in practice. The moment something is discovered or treated as part of an annual physical, the family is billed for what should have been fully covered. As governor I will make sure that preventative coverage is actually covered.

Prohibiting “surprise billing”

A recent Kaiser Family Foundation study found that “nearly 7 in 10 … individuals with unaffordable out-of-network medical bills did not know the health care provider was not in their plan’s network at the time they received care.” The problem has gotten so bad that even the American Health Insurance Plans, the

23 “The Obamacare provision that saved thousands from bankruptcy,” Sarah Kliff, Vox, 3/2/17
24 “Health Insurance Coverage and the Affordable Care Act, 2010-2016” Namrata Uberoi, Kenneth Finegold, Emily Gee, ASPE, 3/3/16
25 “Why we need health care reform-stories from parents across the nation,” Khadija from Louisville, momsrising.org, 9/11
26 “Surprise Medical Bills,” Kaiser Family Foundation, 5/17/2016
lobbying group for the big insurance companies, is urging Congress to act. We shouldn’t wait for Congress to act, and as governor I will work to ensure that surprise billing is banned in Kentucky.

27 AHIP letter, 3/18/2019
PART TWO

PROTECTING MEDICAID AND GETTING KENTUCKY’S FAIR SHARE OF FEDERAL DOLLARS
In 2013, our state did the right thing and expanded Medicaid, which made hundreds of thousands of Kentuckians eligible for quality and affordable healthcare. But now, Governor Matt Bevin is trying to roll back our progress by gutting Kentucky’s Medicaid program and stripping coverage from those who need it most. It’s not only wrong – it’s just plain immoral.

That’s why I fought to protect Medicaid and ensure Kentucky keeps the federal dollars we’ve already paid for. When a federal judge ruled that the ACA was unconstitutional, I joined more than a dozen other Attorneys General to combat the ruling which would have blocked Medicaid expansion, putting coverage for more than 1.24 million Kentuckians at risk and costing us almost $50 billion in federal funding.

As governor, I will protect Medicaid and ensure that no Kentuckian has to worry about losing health care because they lost their job or live with a pre-existing condition.

**Immediate Benefits from High Enrollment**
When our state expanded Medicaid, Kentuckians saw the benefits right away. Our state saved money, hospitals earned more, and in just the first year, more than 375,000 Kentuckians were able to get covered. In fact, Kentucky had one of the largest decreases of any state in its uninsured rate, dropping from 20 percent to 7.5 percent.

**Economic Benefits of Expansion**
Medicaid expansion also boosted our economy by creating jobs and improving hospital finances. Under expansion, Kentucky was also able to leverage additional money from the federal government and grow our economy as a whole. In just the first year, more than 12,000 jobs were created, and our state saved more than $100 million in avoided costs.

And since more Kentuckians now have access to health care, we’ve seen a drop in uncompensated care provided to those with no insurance or way to pay, which hurts hospital and doctors. Thanks to more revenue, our hospitals were able to hire more Kentuckians, update and improve our medical centers and provide an even broader array of health services.

**More Rural Coverage**
When we expanded Medicaid, all Kentuckians benefitted, especially our rural communities. In 2009, 40 percent of low-income adults living in small towns and rural communities didn’t have health insurance. But in 2016, that number dropped to only 13 percent. Now, the rate of uninsured people in our rural

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28 “Kentucky and the ACA’s Medicaid expansion,” Louise Norris, healthinsurance.org, 11/25/2018
29 “Kentucky remains ‘deeply’ split on health care because it’s confusing,” Philip M. Bailey, Louisville Courier Journal, 12/27/2018
30 “Ky’s Medicaid Expansion: 40,000 Jobs, $30B Economic Impact,” Kerri Richardson and Terry Sebastian, Kentucky.gov, 2/12/2015
31 “Ky’s Medicaid Expansion: 40,000 Jobs, $30B Economic Impact,” Kerri Richardson and Terry Sebastian, Kentucky.gov, 2/12/2015
32 “Ky’s Medicaid Expansion: 40,000 Jobs, $30B Economic Impact,” Kerri Richardson and Terry Sebastian, Kentucky.gov, 2/12/2015
33 “Ky’s Medicaid Expansion: 40,000 Jobs, $30B Economic Impact,” Kerri Richardson and Terry Sebastian, Kentucky.gov, 2/12/2015
34 “Medicaid Boosts Kentucky’s Economy, New Barriers to Coverage Will Hold Us Back,” Dustin Pugel, Kentucky Center for Economic Policy, 6/15/2018
areas is the same as in bigger cities, preventing our rural hospitals from having to foot the bill and jeopardizing their ability to stay in business.

**Lasting Benefits**
Since the rollout, the benefits of Medicaid expansion haven’t slowed down. As of July 2018, 1,241,612 Kentuckians were covered by Medicaid and CHIP. And between 2013 and 2017, we saw a 62 percent drop in Kentucky’s uninsured rate.

**Demonstration waiver will be disastrous for Medicaid expansion**
Expanding Medicaid was a no brainer and we’re still reaping the benefits. But now, Governor Bevin wants to gut our Medicaid program and put the healthcare of more than 1.24 million Kentuckians in limbo. Last year, Bevin announced a plan to implement copays and unnecessary burdens and paperwork for those covered under expanded Medicaid.

Bevin’s plan would have detrimental effects to our Medicaid program. For example, experts warn that Medicaid enrollment would plummet and nearly a hundred thousand people would likely experience gaps in coverage for failing to meet the new work requirements, pay premiums, or report changes or renew coverage on time. And while the Bevin administration claims the waiver will save the state money, it’s only because fewer Kentuckians would have Medicaid coverage with many ending up uninsured.

Bevin is threatening to roll back all the progress we’ve made in reducing the number of Kentuckians living without access to healthcare. That’s why on my first day as governor I will halt Bevin’s effort to throw thousands of families off the Medicaid program.

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35 “Kentucky and the ACA’s Medicaid expansion,” Louise Norris, healthinsurance.org, 11/25/2018
36 “Kentucky and the ACA’s Medicaid expansion,” Louise Norris, healthinsurance.org, 11/25/2018
37 “Kentucky and the ACA’s Medicaid expansion,” Louise Norris, healthinsurance.org, 11/25/2018
38 “Kentucky Waiver Will Harm Medicaid Beneficiaries,” Judith Solomon, Center on Budget and Policy Priorities, 1/16/2018
39 “Kentucky Waiver Will Harm Medicaid Beneficiaries,” Judith Solomon, Center on Budget and Policy Priorities, 1/16/2018
40 “Kentucky Waiver Will Harm Medicaid Beneficiaries,” Judith Solomon, Center on Budget and Policy Priorities, 1/16/2018
PART THREE

LOWERING THE COST OF PRESCRIPTION DRUGS AND HOLDING BIG PHARMACEUTICAL COMPANIES ACCOUNTABLE
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Prescription drugs cost working families too much money, and every year the problem gets worse. Americans spend $450 billion on prescription drugs every year,\(^{41}\) and that’s projected to increase by as much as seven percent every year, an unsustainable path.\(^{42}\) It’s forcing Kentuckians to make impossible choices.

One Kentuckian saw her diabetes medication increase from $746 to $6,714 in the span of a year.\(^{43}\) Melissa Rose in Louisville shared her mother’s story with The Courier Journal. She described how her mother simply stopped treating her chronic liver disease and inflammatory disease sarcoidosis because she simply couldn’t afford to pay $3,000 a month for the prescription.\(^{44}\)

Kentuckians should not have to wait for national reform to fix this problem. We can take matters into our own hands as a state— I’ve done it as Attorney General, and I will do it as governor.

In the last three years I’ve filed nine lawsuits against pharmaceutical companies on behalf of Kentuckians and communities. These companies profited off the people in Kentucky as they fueled opioid addiction, and we’re fighting to hold them accountable.\(^{45}^{46}\)

Just this month we launched an investigation into whether pharmacy benefit managers are overcharging Kentucky’s Medicaid program for prescription drugs because we need greater accountability and transparency surrounding the cost of prescription drugs. We are going to recover any profits improperly retained at the expense of the Commonwealth and its taxpayers.\(^{47}\)

As governor, I will work to strengthen transparency and consumer protection laws in Kentucky for better price negotiating between hospitals and pharmaceutical companies. I will also introduce legislation requiring drug companies selling to Kentucky pharmacies to give notice of price increases and justify these increases.

Forcing Drug Company Transparency and Accountability in Pricing

It’s bad enough when drug companies drastically raise prices, but even worse, in many cases they do so without giving enough notice to consumers to give them time to determine if there are any alternatives and to push back on pharmaceutical company excesses. Kentucky should follow the lead of the most recent Republican governor of Nevada and states like Oregon and pass a law requiring that the drug companies give consumers more notice. This legislation would require drug companies give 60 days’ notice of significant increases and justify the increase.

41 "Costs and Pricing, National Conference of State Legislators"
43 "For many, rising drug costs mean life or death," Laura Ungar, 1/28/16
44 "For many, rising drug costs mean life or death," Laura Ungar, Courier Journal, 1/28/16
45 "Beshear challenged opioid manufacturers in 2018; focus for ’19 includes rising utility costs, health care," Northern Kentucky Tribune, 12/17/2018
46 "Kentucky AG Going After 9th Opioid Maker, Hails Efforts As ‘Most Aggressive’ In Nation,” Josh James, WUKY, 11/29/2018
Drug Spending Cap for Medicaid

While much of the reform of the pharmaceutical industry needs to occur on the national level, there is a lot Kentucky can do by leveraging its purchasing power in the Medicaid system. Too often the drug companies say “we’re raising prices” and states simply comply. As governor, I will pass legislation that pushes back on the big drug companies and holds the line on spending taxpayer funds, modeled off of legislation that recently saved New York state $958 million.

The 2017 legislation “limit[s] total payments to the sum of medical inflation plus 5 percent” for the Medicaid system. If this global cap isn’t met, a five-step process kicks in and the pharmaceutical industry is put on notice that taxpayers simply will not cover their exorbitant and unjustified price increases. It is important to note that even with all of these changes, no so called “utilization methods” have had to be used and there has been no negative effects on patients in Medicaid. Simply having a credible threat is enough to force the drug companies to back down.

Creating a Prescription Drug Affordability Board to Control Costs

Kentucky should create a Prescription Drug Affordability Board to help private consumers and the government control drug costs. The independent body would have the authority to review high prices and recommend reasonable rates to be codified by the legislature and governor. Maryland recently proposed such a board. Under this plan the Board would review:

- New brand name prescription drugs which enter the market at $30,000 or more per year or course of treatment;
- Existing brand name medications which increase in price by $3,000 or more per year or course of treatment;
- Generic medications which increase in price by $300 or more per year or course of treatment; and
- Any prescription drug that creates affordability challenges to the Kentucky health care system, including patients.

Under my plan, this board would then make recommendations on price that would go to an up or down vote in the Legislature, and if passed to the governor for signature.

In closing, I believe that health care is a basic human right—not a privilege. And Kentucky deserves a governor who understands this.

This plan is just the start of our efforts. As governor, I’ll tap into the collective knowledge and wisdom of our best health care experts and continuously work to improve quality and access to care.