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COMMONWEALTH OF KENTUCKY
 OFFICE OF THE GOVERNOR

Andy Beshear
 GOVERNOR

Capitol Building, Suite 100
 700 Capitol Avenue
 Frankfort, KY 40601
 (502) 564-2611
 Fax: (502) 564-2517

**VETO MESSAGE FROM THE
 GOVERNOR OF THE COMMONWEALTH OF KENTUCKY
 REGARDING HOUSE BILL 695 OF THE 2025 REGULAR SESSION**

I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under section 88 of the Kentucky Constitution, do hereby veto the following:

House Bill 695 of the 2025 Regular Session of the General Assembly in its entirety.

House Bill 695 gives the part-time General Assembly day-to-day control of the Kentucky Medicaid program and Kentucky Children's Health Insurance Program (KCHIP), which cover more than 1,600,000 Kentucky adults and children. Under the bill, these executive branch programs and the departments that run them must ask the legislature for permission to make routine and necessary changes, even to improve health care for the most vulnerable Kentuckians. This restriction comes from a legislature that has since 2020 passed more than three dozen bills expanding Kentucky Medicaid. Now, under House Bill 695, the General Assembly will require these health insurance programs to submit proposals for changes to the programs to the legislative branch, making the programs wait for legislative approval, which will put up barriers to and delay health care for Kentuckians.

Showing the General Assembly's attempt to run the Kentucky Medicaid program, House Bill 695 requires the program to, within 90 days of the bill's passage, submit to the federal government a mandatory community engagement waiver program. This waiver program will undoubtedly result in the loss of health care coverage for Kentucky adults. It will also bring unnecessary and costly litigation against such a waiver, which previous federal courts have struck down. The time period by which the waiver must be submitted is also grossly insufficient.

In addition, House Bill 695 requires the Kentucky Medicaid program to procure new managed care organization contracts in January 2027, despite the current negotiated managed care organization contracts allowing additional two-year renewals beginning at the end of 2026. The bill thus violates the Contracts Clause in the Kentucky Constitution.

For these reasons, I am vetoing House Bill 695.

This, the 26th day of March, 2025.

Andy Beshear

 Andy Beshear
 Governor