

**6.948 Definitions for section -- Health mandate impact statement and federal cost defrayal impact statement requirement for bill or amendment with mandated health benefit -- State employee health plan impact statement requirement for bill or amendment with mandated health benefit applicable to state employee health plan -- Preparation of statement -- Requirements -- Contents -- Time for completion of statements.**

- (1) As used in this section:
  - (a) "Amendment" includes a committee substitute;
  - (b) "Department" means the Department of Insurance;
  - (c) "Federal cost defrayal impact statement" means a statement prepared and transmitted in accordance with subsection (6) of this section;
  - (d) "Health benefit plan" has the same meaning as in KRS 304.17A-005, except that for purposes of this section the term does not include:
    1. A state employee health plan; or
    2. Any other self-insured policy, certificate, plan, or contract;
  - (e) "Health mandate impact statement" means a statement prepared and transmitted in accordance with subsection (5) of this section;
  - (f) "Mandated health benefit" means a requirement that any health benefit plan or state employee health plan:
    1. Provide a specified benefit, including but not limited to a specified coverage;
    2. Pay, indemnify, or reimburse for a specified medical service; or
    3. Pay, indemnify, or reimburse specified health care providers for specific health care services;
  - (g) "Sponsor" means a member of the General Assembly that has made a request to the Legislative Research Commission for a bill or amendment;
  - (h) "State employee health plan" means any fully insured health benefit plan or self-insured plan issued or renewed to public employees under KRS 18A.225 or 18A.2254; and
  - (i) "State employee health plan impact statement" means a statement prepared and transmitted in accordance with subsection (7) of this section.
- (2)
  - (a) Any bill or amendment that contains a mandated health benefit shall be identified by the staff of, and on a form specified by, the Legislative Research Commission.
  - (b) If a bill or amendment is identified as having a mandated health benefit under paragraph (a) of this subsection, the staff of the Legislative Research Commission shall:
    1. Notify the sponsor of the bill or amendment that a health mandate impact statement, federal cost defrayal impact statement, and state employee health plan impact statement, as applicable, are required; and
    2. Upon introduction, adoption, or filing of the legislation:
      - a. For a mandated health benefit that applies to any health benefit

plan, request the department to prepare and transmit a health mandate impact statement and federal cost defrayal impact statement in accordance with this section; and

- b. For a mandated health benefit that applies to any state employee health plan, request the Department of Employee Insurance to prepare and transmit a state employee health plan impact statement in accordance with this section.
- (3)
  - (a) The individuals referenced in paragraph (b) of this subsection may, in accordance with that paragraph, request the department or the Department of Employee Insurance, as applicable, to prepare any or all of the following:
    1. A health mandate impact statement;
    2. A federal cost defrayal impact statement; or
    3. A state employee health plan impact statement.
  - (b) Any or all of the following may make a request under paragraph (a) of this subsection:
    1. For any introduced bill or adopted or filed amendment:
      - a. The sponsor of the bill or amendment; or
      - b. Any of the following members from a chamber of the General Assembly with possession of the legislation:
        - i. Any member of the majority or minority leadership; or
        - ii. A chair of a standing committee; and
    2. For any bill or amendment that has not been introduced, filed, or adopted, the sponsor of the bill or amendment.
- (4)
  - (a) Except as provided in paragraph (b) of this subsection, when a request is made under this section, the department or Department of Employee Insurance, including its staff and third-party contractors, shall:
    1. Keep the bill or amendment confidential until the bill or amendment is published for public distribution by the Legislative Research Commission; and
    2. Keep the impact statement, including the request for the statement and any information relating thereto, confidential until the statement is published for public distribution by the Legislative Research Commission.
  - (b) Paragraph (a) of this subsection shall not apply to any communications with or transmittals to:
    1. Staff or third-party contractors designated by the department or Department of Employee Insurance to receive and prepare the impact statements required under this section;
    2. Staff designated by the Legislative Research Commission;
    3. The requester; or
    4. Any other person designated by the requester.
  - (c) Any health mandate impact statement, federal cost defrayal impact statement,

or state employee health plan impact statement requested under this section shall be prepared and transmitted by the department or Department of Employee Insurance as provided in this section.

- (5) A health mandate impact statement shall:
  - (a) Be in writing;
  - (b) Be signed by the commissioner of the department or the commissioner's designee;
  - (c) Determine the extent to which the mandated health benefit will:
    1. Increase or decrease administrative expenses of insurers offering health benefit plans;
    2. Increase or decrease health benefit plan premiums in the market or markets to which the mandate applies; and
    3. Impact the total cost of health care for health benefit plan insureds, including any potential cost savings that may be realized; and
  - (d) Be completed and transmitted to staff designated by the Legislative Research Commission and the requester as soon as possible, but not later than thirty (30) days after the request is made to the department, unless the requestor and commissioner of the department agree otherwise.
- (6) (a) A federal cost defrayal impact statement shall:
  1. Be in writing;
  2. Be signed by the commissioner of the department or the commissioner's designee;
  3. a. Indicate:
    - i. Whether a bill or amendment that contains a mandated health benefit may result in the state being required to make payments to defray costs under 42 U.S.C. sec. 18031(d)(3) and 45 C.F.R. sec. 155.170, as amended; and
    - ii. If applicable, which provision or provisions of the bill or amendment may trigger the requirement to make payments to defray costs under 42 U.S.C. sec. 18031(d)(3) and 45 C.F.R. sec. 155.170, as amended.
  - b. When making a determination under subdivision a. of this subparagraph, the department shall consider whether the provision or provisions would apply under KRS 304.17A-099(2);
4. If it is indicated under subparagraph 3. of this paragraph that the bill or amendment may result in the state being required to make payments, include a cost defrayal fiscal analysis prepared in accordance with paragraph (b) of this subsection; and
5. Be completed and transmitted to staff designated by the Legislative Research Commission and the requestor as soon as possible, but not later than the following, unless the requestor and the commissioner of the department agree otherwise:
  - a. For an indication required under subparagraph 3. of this paragraph,

ten (10) business days after the request is made to the department;  
and

- b. For a cost defrayal fiscal analysis required under subparagraph 4. of this paragraph, thirty (30) days after the request is made to the department.

(b) A cost defrayal fiscal analysis shall:

1. Be conducted by:
  - a. The department; and
  - b. An actuary selected by the department;
2. Be based on an analysis performed in accordance with generally accepted actuarial principles and methodologies;
3. Determine the extent to which benefits required under the bill or amendment are already covered by health insurers; and
4. Include an estimate of the payments the state may be required to make under 42 U.S.C. sec. 18031(d)(3) and 45 C.F.R. sec. 155.170, as amended, if the bill or amendment is enacted into law.

(7) A state employee health plan impact statement shall:

- (a) Be in writing;
- (b) Be signed by the commissioner of the Department of Employee Insurance or the commissioner's designee;
- (c) Determine the extent to which:
  1. The mandated health benefit will increase or decrease state employee health plan premiums; and
  2. The increased or decreased premiums identified in subparagraph 1. of this paragraph may be passed on to public employees; and
- (d) Be completed and transmitted to staff designated by the Legislative Research Commission and the requester as soon as possible, but not later than thirty (30) days after the request is made to the Department of Employee Insurance, unless the requestor and commissioner of the Department of Employee Insurance agree otherwise.

**Effective:** April 9, 2024

**History:** Amended 2024 Ky. Acts ch. 58, sec. 2, effective July 15, 2024; and repealed and reenacted 2024 Ky. Acts ch. 120, sec. 1, effective April 9, 2024. -- Amended 2010 Ky. Acts ch. 24, sec. 3, effective July 15, 2010. -- Amended 2003 Ky. Acts ch. 193, sec. 1, effective June 24, 2003. -- Created 1998 Ky. Acts ch. 496, sec. 42, effective April 10, 1998.

**Legislative Research Commission Note (7/15/2024).** This statute was amended in 2024 Ky. Acts ch. 58, sec. 2, and repealed and reenacted with all new language in 2024 Ky. Acts ch. 120, sec. 1. Under KRS 446.250 and 446.260, the repeal and reenactment prevails over the amendment.