

CHAPTER 113**(SCR 34)**

A CONCURRENT RESOLUTION directing the Interim Joint Committee on Banking and Insurance to study the feasibility of self-funding at least one health insurance option for state employees.

WHEREAS, according to the Kentucky Public Employee Health Insurance Program Annual Report, 72% of other states self-fund at least one of their health insurance options; and

WHEREAS, administration expenses under a self-funded health insurance plan are typically lower due to the elimination of insurer risk charges which are normally 2% to 5% of total premiums; and

WHEREAS, through direct contracting a self-funded program may have more negotiation flexibility with providers; and

WHEREAS, a self-funded program typically has more design flexibility which may result in more consistency in the benefit options offered to plan participants in different geographic areas of the Commonwealth; and

WHEREAS, under a self-funded arrangement the Commonwealth could consolidate its risk pool and have increased flexibility in allocating its health care program's costs;

NOW, THEREFORE,

Be it resolved by the Senate of the General Assembly of the Commonwealth of Kentucky, the House of Representatives concurring therein:

Section 1. That the Interim Joint Committee on Banking and Insurance is directed to study the feasibility of self-funding at least one health insurance option for state employees.

Section 2. The Personnel Cabinet shall cooperate with the Interim Joint Committee on Banking and Insurance in executing and completing this study.

Section 3. That the Interim Joint Committee on Banking and Insurance shall report its findings to the Legislative Research Commission no later than December 1, 2002.

Section 4. Provisions of this resolution to the contrary notwithstanding, the Legislative Research Commission shall have the authority to alternatively assign the issues identified herein to an interim joint committee or subcommittee thereof, and to designate a study completion date.

Approved March 28, 2002