

CHAPTER 158**(HB 163)**

AN ACT relating to the Kentucky Group Health Insurance Board.

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

Section 1. KRS 18A.226 is amended to read as follows:

- (1) To ***provide quality, affordable health insurance coverage so that the Commonwealth can attract and retain able and dedicated public employees, and to*** facilitate the need for comprehensive and efficient planning, implementation, and administration of a state employee health insurance program ***in order to meet this goal***, the Kentucky Group Health Insurance Board is created. The board shall be attached to the Personnel Cabinet for administrative purposes only. The board shall consist of ***thirteen (13)***~~seven (7)~~ members as follows:
- (a) The secretary of the Finance and Administration Cabinet;
 - (b) The secretary of the Personnel Cabinet;
 - (c) The state budget director;
 - (d) The commissioner of education;
 - (e) The chair of the Advisory Committee of State Health Insurance Subscribers;
 - (f) The commissioner of insurance, ex officio;~~and~~
 - (g) The Auditor of Public Accounts, ex officio;
 - (h) ***The Director of the Administrative Office of the Courts, or his designee;***
 - (i) ***One (1) retired state employee appointed by the Kentucky Retirement Systems, who shall serve an initial term of one (1) year;***
 - (j) ***One (1) retired teacher appointed by the Teachers' Retirement System, who shall serve an initial term of two (2) years;***
 - (k) ***One (1) active teacher appointed by the organization with the largest number of teacher members on payroll deduction, who shall serve an initial term of one (1) year;***
 - (l) ***One (1) active state employee appointed by the organization with the largest number of state employee members on payroll deduction, who shall serve an initial term of two (2) years; and***
 - (m) ***One (1) active classified education support employee appointed by the organization with the largest number of classified education support employee members on payroll deduction, who shall serve an initial term of one (1) year.***
- As each appointed member's term expires, the vacancy created shall be filled by the appointing authority for that position for a term of two (2) years. An appointment to fill an unexpired term of an appointed member shall be made by the designated appointing authority for the remainder of the term. Appointed terms shall begin effective October 1.***
- (2) The members of the board shall elect from among its members a chair and a vice chair.

- (3) Regular meetings of the board shall be held at least once every month at a place, day, and time determined by the board. Special meetings of the board shall be held when needed as determined by the chair. If *seven (7)*~~four (4)~~ or more members of the board request in writing that the chair call a special meeting, the chair shall call a special meeting. The meetings shall operate in accordance with the provisions of the Open Meetings Law under KRS 61.805 to 61.850.
- (4) Members of the board shall receive reimbursement for necessary expenses for attendance at official board meetings or public hearings.
- (5) The Kentucky Group Health Insurance Board shall:
 - (a) Engage in analyses and research to identify the factors and parameters that affect the state group health insurance program;
 - (b) Develop and transmit, by October 1 of each year beginning October 1, 2001, to the Governor, the General Assembly, and the Chief Justice of the Supreme Court, policy recommendations regarding benefit options and management of the state group health insurance program; and
 - (c) Provide in the first report, due by October 1, 2001, the following:
 1. Analysis and discussion of methods used by all other states to provide health insurance benefits to their state group; and
 2. Analysis and discussion of the cost, enrollment, claims, and utilization data for calendar year 2000 on the Kentucky state group; and
 3. Recommendations including, but not limited to, appropriate structures for the state contribution rate which shall include recommendations on increasing the state contribution to provide support for dependent coverage, possible methods to mitigate adverse selection, competitive plan designs by type and benefit options, the feasibility of a state self-insurance plan, and strategies for evaluating third-party administrators and vendors.

Approved April 2, 2002