

CHAPTER 193

(HB 183)

AN ACT relating to mandated health insurance benefits.

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

Section 1. KRS 6.948 is amended to read as follows:

- (1) For purposes of this section, "mandated health benefit" means any requirement that any health benefit plan, *as defined in KRS 304.17A-005*:
 - (a) Provide a specified benefit;~~;~~
 - (b) Include a specified coverage;~~;~~
 - (c) Pay, indemnify, or reimburse for a specified medical service;~~;~~ or
 - (d) *Pay, indemnify, or reimburse*~~[impose or regulate provisions concerning]~~ specified health care providers *for specific health care services*.
- (2) (a) On and after *the effective date of this Act*~~[April 10, 1998]~~, in the General Assembly, a sponsor of a bill *or*~~[and any member proposing]~~ an amendment~~[to a bill]~~ that contains a mandated health benefit shall *cause*~~[submit to the standing committee to which the bill has been referred]~~ a financial impact statement *to be prepared and attached to the measure*~~[on health insurance coverage rates]~~ before final consideration by the *standing committee to which the measure has been referred*.
 - (b) *A bill in the orders of the day in the House or the Senate which does not have attached a financial impact statement as required by this section shall be retained in the orders of the day but passed over in the orders of the day until the financial impact statement is attached. Members may require, by a majority vote, that a financial impact statement be prepared on any bill and on any amendment in the orders of the day. Any member proposing an amendment from the floor which contains a mandated health benefit shall cause a financial impact statement to be prepared and attached to the amendment. Until the time a financial impact statement is prepared and attached to an amendment that contains a mandated health benefit, action on the proposed amendment shall not be in order.*
- (3) *The financial impact statement shall be prepared by the Department of Insurance as provided in subsection (6) of this section.*
- (4) *The sponsor of a bill or amendment that contains a mandated health benefit shall request the Department of Insurance, as soon as practicable, to prepare a financial impact statement. If the sponsor submits a request prior to filing the measure with the clerk of the House or Senate, the department shall keep the measure confidential until the sponsor authorizes public distribution. The department shall keep all financial impact statements and all requests for statements confidential until the person requesting the financial impact statement authorizes public distribution.*
- (5) A majority of the members present at a meeting of any~~[Upon request of a]~~ standing committee of the General Assembly, *acting through the committee chair, may request the commissioner of the Department of Insurance to prepare a*~~[shall review any]~~ financial impact statement *for any measure before*~~[filed with]~~ the committee and *submit the*

statement in accordance with subsection (6) of this section~~[report the results of the review to the committee].~~

- (6) (a) *The financial impact statement shall be in writing and signed by the commissioner of the Department of Insurance or the commissioner's designee and shall determine the extent to which:*
1. *The mandated health benefit will increase or decrease the administrative expenses of insurers;*
 2. *The mandated health benefit will increase or decrease premiums; and*
 3. *The mandated health benefit will impact the total cost of health care in the Commonwealth, including any potential cost savings that may be realized.*
- (b) 1. *If the sponsor of a bill that contains a mandated health benefit submits the request for a financial impact statement prior to filing the bill, the financial impact statement shall be completed as soon as possible, but no later than thirty (30) days after the request by the sponsor, unless the sponsor and the commissioner of the Department of Insurance agree otherwise.*
2. *The financial impact statement shall be completed as soon as possible, but no later than thirty (30) days after the request by the sponsor of a measure before a standing committee under subsection (2) of this section or by the committee chair under subsection (5) of this section.*
 3. *The financial impact statement shall be completed as soon as possible after the request by a majority vote of the House or Senate or by the sponsor of a floor amendment pursuant to subsection (2)(b) of this section.*

Approved April 3, 2003