

CHAPTER 183**(HJR 207)**

A JOINT RESOLUTION directing the Personnel Cabinet to study the feasibility of using a health reimbursement arrangement to supplement state employee health insurance.

WHEREAS, the General Assembly recognizes the rising cost of health insurance provided to state employees; and

WHEREAS, Section 105 of the Internal Revenue Code permits employers to provide reimbursement to employees for certain medical expenses using tax-free dollars through the establishment of health reimbursement arrangements; and

WHEREAS, recent rulings by the Internal Revenue Service have expanded the potential uses of health reimbursement arrangements in conjunction with cafeteria plans and health insurance coverage; and

WHEREAS, the use of health reimbursement arrangements may encourage greater discretion by employees in the use of medical services and reduce employer costs; and

WHEREAS, the Commonwealth has a responsibility to its employees to ensure adequate medical coverage while making the most efficient use of taxpayer dollars;

NOW, THEREFORE,

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

Section 1. The Personnel Cabinet, or its successor agency, in conjunction with the Kentucky Group Health Insurance Board shall conduct a study to determine if a health reimbursement arrangement would provide a benefit to employees and reduce employer costs for health insurance.

Section 2. The Kentucky Group Health Insurance Board shall include the findings of the study in its annual report submitted to the Governor, General Assembly, and Chief Justice of the Supreme Court by October 1, 2004.

Approved April 22, 2004