

INTERIM JOINT COMMITTEE ON STATE GOVERNMENT

Minutes of the 6th Meeting of the 2021 Interim

October 19, 2021

Call to Order and Roll Call

The sixth meeting of the Interim Joint Committee on State Government was held on Tuesday, October 19, 2021, at 1:00 PM, in Room 149 of the Capitol Annex. Representative Jerry T. Miller, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Robby Mills, Co-Chair; Representatives Jerry T. Miller, Co-Chair, and Kevin D. Bratcher, Co-Chair; Senators Ralph Alvarado, Denise Harper Angel, Morgan McGarvey, Michael J. Nemes, Wil Schroder, Adrienne Southworth, Brandon J. Storm, Damon Thayer, and Phillip Wheeler; Representatives John Blanton, Adam Bowling, McKenzie Cantrell, Jennifer Decker, Jim DuPlessis, Kelly Flood, Jim Gooch Jr., Derrick Graham, Richard Heath, Samara Heavrin, Mary Beth Imes, DJ Johnson, Matthew Koch, Derek Lewis, Scott Lewis, Savannah Maddox, Patti Minter, Kimberly Poore Moser, Nancy Tate, James Tipton, Ken Upchurch, Russell Webber, and Buddy Wheatley.

Guests: Representative Thomas Huff; Reina Diaz-Dempsey, Personnel Cabinet; and Kevin Moulton, Zoneton Fire Protection District.

LRC Staff: Alisha Miller, Daniel Carter, Michael Callan, Andrew Salman, and Peggy Sciantarelli.

Approval of Minutes

The minutes of the September 21, 2021, meeting were approved without objection, upon motion by Representative Webber.

Introductions

Representative Miller welcomed a guest in the audience, Mr. Bode Brooks, who recently moved from Louisiana to join the news team at WDKY, Lexington.

2022 Kentucky Employees' Health Plan

Reina Diaz-Dempsey, Commissioner, Department of Employee Insurance (DEI), Personnel Cabinet, updated the committee regarding the Kentucky Employees' Health Plan (KEHP) for the 2022 plan year. She also briefly reviewed KEHP's response to COVID-19. Ms. Diaz-Dempsey's testimony included a PowerPoint presentation.

As of September 2021, KEHP covered 292,732 members, including 177,897 active employees and pre-65 retirees. School boards comprised 52.5 percent of the membership, state agencies 18 percent, under-65 retirees 24 percent, and quasi groups 5.5 percent. Annual plan spending is approximately \$1.9 billion, and 95 percent of KEHP expenses are for claims payments. Of that 95 percent, 63 percent is for medical claims and 27 percent for prescription claims. DEI salaries are less than one-quarter of a penny for every dollar spent.

The presentation included a comparison of benefits from 2020 to 2022. For 2022, employer and employee premiums will increase 3 percent. Deductibles and out-of-pocket maximums will not change. The PPO plan will provide a PrudentRx Program for certain specialty drugs. Member in-network co-insurance will increase by 5 percent in the LivingWell PPO and LivingWell CDHP plans. The 30-day generic prescription copay in the LivingWell PPO plan will increase by \$5.

KEHP offers several free and low-cost member benefits/programs, including Rethink, SmartShopper, LiveHealth Online, and Diabetes Prevention. The Value Benefits program for diabetes, COPD, and asthma provides for reduced copays or co-insurance, with no deductibles for maintenance drugs and supplies. Highlights of the 2022 plan include lactation support via the Future Moms program through LiveHealth Online, no member cost-share for the Diabetes Self-Management Education and Support program; and introduction of Hinge Health, a clinic that provides a digital alternative to pain management and in-person physical therapy. Also new in 2022, covered dependent spouses will be able to participate in the Wellness Program and earn engagement rewards; however, members who waive health insurance coverage will not be eligible.

When asked by Representative Miller, Ms. Diaz-Dempsey reviewed the requirements relating to re-enrollment in the health plan and explained the difference between LiveHealth Online and the Rethink behavioral health benefit.

Responding to Representative Graham, Ms. Diaz-Dempsey explained why members who waive health insurance coverage will not be able to participate in the WebMD wellness program.

When asked by Representative Blanton, Ms. Diaz-Dempsey explained the rule relating to cross-referencing by KEHP members.

Responding to Representative Cantrell, Ms. Diaz-Dempsey confirmed that telehealth services, such as LiveHealth Online, are covered 100 percent. Representative Cantrell commented on the difficulties and trauma associated with the job duties of social workers.

Senator Thayer expressed his personal opinion that members of the executive branch administration who testify before a legislative committee should attend in-person, unless there is an extenuating circumstance. He thinks that many members of the committee would find it beneficial to have in-person testimony.

When Representative Decker asked whether KEHP is tracking the results of the diabetes treatment and prevention programs, Ms. Diaz-Dempsey responded affirmatively.

Representative Blanton, referencing previous comments about the hard work faced by social workers, said it was recently pointed out during a meeting of another legislative committee, that there has been a 57 percent increase over the past year in children's deaths, due to being kept at home with abusive parents during the pandemic shutdowns. He questioned why that statistic has not been reported in the media.

22 RS BR 430 – AN ACT relating to death benefits for first responders, making an appropriation therefor, and declaring an emergency.

Representative Thomas Huff, primary sponsor, testified regarding 22 RS BR 430. The bill would amend KRS 61.315 to create a presumption that first responders who die of COVID-19, do so while in the line of duty and thus qualify for death benefits. The presumption would apply retroactively to any claim for death benefits brought by a first responder on or after March 6, 2020. Kevin Moulton, Chief of the Zoneton Fire Protection District in Bullitt County, accompanied Representative Huff and spoke in support of the legislation.

Representative Huff said that BR 430 adds COVID-19 to the list of reasons for the family of a first responder to draw a death benefit. The benefit would be retroactive to March 2020, when the first COVID death was recorded in Kentucky.

Mr. Moulton said that in December 2020, the previous Zoneton fire chief died after contracting COVID and that the battalion chief died the following February. When he submitted the claim to the Fire Commission, it was denied, and he began his effort to have COVID-19 included in the statutes as a qualifying event. When asked by Senator Wheeler, he confirmed that those two families did qualify for workers' compensation benefits, including the death benefit.

Senator Southworth said that the risk of contracting COVID while on the job is not limited to first responders. She acknowledged that first responders take more risk than a lot of people but questioned whether some type of financial assistance should perhaps be provided also to the many other categories of workers whose jobs can be considered essential. Representative Huff said that BR 430 is geared toward first responders. The bill is not intended to be all inclusive, but that does not mean that the jobs of other workers are not essential.

Representative Johnson said he will stand with first responders in any way he can. While BR 430 applies to first responders, different legislation could be proposed, if needed, relating to other professions. When he inquired about the bill's fiscal impact, Representative Huff responded that he did not request a fiscal note but that the financial impact could easily be determined. The bill calls for a death benefit payment of \$80,000 to eligible families.

Representative Graham questioned whether BR 430 would apply to medical personnel that work in the correctional institutions. He considers them to be first responders, as well. Representative Huff said he does not believe it would, as the bill is currently written.

There were no additional questions, and Representative Miller thanked Representative Huff and Mr. Moulton for their testimony. He advised the committee members that there will be an opportunity to discuss additional prefiled legislation at the next meeting on November 22. Business concluded, and the meeting was adjourned at 2:00 p.m.