

1 AN ACT relating to coverage for hearing aids and related services.

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

3 ➔Section 1. KRS 304.17A-132 is amended to read as follows:

4 (1) As used in this section:

5 (a) "Hearing aid":

6 1. Means any wearable~~[-, nondisposable instrument or]~~ device designed for,
7 offered for the purpose of, or represented as aiding persons with or
8 compensating for,~~[to aid or compensate for]~~ impaired~~[- human]~~ hearing;

9 2. Includes~~[- and]~~ any parts, attachments, or accessories, including
10 earmolds; and~~[-, but excluding -]~~

11 3. Does not include batteries and cords; and

12 (b) "Related services" means those services necessary to assess, select, and
13 appropriately adjust or fit the hearing aid to ensure optimal performance.

14 (2) A health benefit plan shall provide coverage, subject to all applicable copayments,
15 coinsurance, deductibles, and out-of-pocket limits, for the full cost of one (1)
16 hearing aid per hearing-impaired ear up to two thousand five hundred dollars
17 (\$2,500)~~[one thousand four hundred dollars (\$1,400)]~~ every thirty-six (36) months
18 for hearing aids for insured individuals under eighteen (18) years of age and all
19 related services which shall be prescribed by an audiologist licensed under KRS
20 Chapter 334A and dispensed by an audiologist or hearing instrument specialist
21 licensed under KRS Chapter 334.

22 (3) An~~[The]~~ insured may choose a higher priced hearing aid and may pay the
23 difference in cost above the two thousand five hundred dollar (\$2,500)~~[one~~
24 ~~thousand four hundred dollar (\$1,400)]~~ limit as provided in this section without any
25 financial or contractual penalty to the insured or to the provider of the hearing aid.

26 (4)~~[(3)]~~ A health benefit plan shall not be required to pay a claim filed by its insured
27 for payment of the cost of a hearing aid under the coverage required by ~~[subsection~~

1 ~~(2) of~~ this section if less than three (3) years prior to the date of the claim ~~the~~^{its}
2 insured filed a claim for payment of the cost of a hearing aid under the required
3 coverage and the claim was paid by any health benefit plan.

4 **(5) (a) An insurer or administrator that utilizes a network to provide hearing aids**
5 **and related services under a health benefit plan shall ensure that the**
6 **network is reasonably adequate and accessible with respect to the provision**
7 **of hearing aids and related services required to be covered under this**
8 **section.**

9 **(b) A reasonably adequate and accessible network, with respect to the provision**
10 **of hearing aids and related services required to be covered under this**
11 **section, shall, at a minimum offer an adequate number of accessible**
12 **audiologists in accordance with the requirements set forth for managed**
13 **care plans in KRS 304.17A-515.**

14 ➔Section 2. KRS 18A.225 is amended to read as follows:

15 (1) (a) The term "employee" for purposes of this section means:

- 16 1. Any person, including an elected public official, who is regularly
17 employed by any department, office, board, agency, or branch of state
18 government; or by a public postsecondary educational institution; or by
19 any city, urban-county, charter county, county, or consolidated local
20 government, whose legislative body has opted to participate in the state-
21 sponsored health insurance program pursuant to KRS 79.080; and who
22 is either a contributing member to any one (1) of the retirement systems
23 administered by the state, including but not limited to the Kentucky
24 Retirement Systems, County Employees Retirement System, Kentucky
25 Teachers' Retirement System, the Legislators' Retirement Plan, or the
26 Judicial Retirement Plan; or is receiving a contractual contribution from
27 the state toward a retirement plan; or, in the case of a public

- 1 postsecondary education institution, is an individual participating in an
2 optional retirement plan authorized by KRS 161.567; or is eligible to
3 participate in a retirement plan established by an employer who ceases
4 participating in the Kentucky Employees Retirement System pursuant to
5 KRS 61.522 whose employees participated in the health insurance plans
6 administered by the Personnel Cabinet prior to the employer's effective
7 cessation date in the Kentucky Employees Retirement System;
- 8 2. Any certified or classified employee of a local board of education or a
9 public charter school as defined in KRS 160.1590;
- 10 3. Any elected member of a local board of education;
- 11 4. Any person who is a present or future recipient of a retirement
12 allowance from the Kentucky Retirement Systems, County Employees
13 Retirement System, Kentucky Teachers' Retirement System, the
14 Legislators' Retirement Plan, the Judicial Retirement Plan, or the
15 Kentucky Community and Technical College System's optional
16 retirement plan authorized by KRS 161.567, except that a person who is
17 receiving a retirement allowance and who is age sixty-five (65) or older
18 shall not be included, with the exception of persons covered under KRS
19 61.702(2)(b)3. and 78.5536(2)(b)3., unless he or she is actively
20 employed pursuant to subparagraph 1. of this paragraph; and
- 21 5. Any eligible dependents and beneficiaries of participating employees
22 and retirees who are entitled to participate in the state-sponsored health
23 insurance program;
- 24 (b) The term "health benefit plan" for the purposes of this section means a health
25 benefit plan as defined in KRS 304.17A-005;
- 26 (c) The term "insurer" for the purposes of this section means an insurer as defined
27 in KRS 304.17A-005; and

1 (d) The term "managed care plan" for the purposes of this section means a
2 managed care plan as defined in KRS 304.17A-500.

3 (2) (a) The secretary of the Finance and Administration Cabinet, upon the
4 recommendation of the secretary of the Personnel Cabinet, shall procure, in
5 compliance with the provisions of KRS 45A.080, 45A.085, and 45A.090,
6 from one (1) or more insurers authorized to do business in this state, a group
7 health benefit plan that may include but not be limited to health maintenance
8 organization (HMO), preferred provider organization (PPO), point of service
9 (POS), and exclusive provider organization (EPO) benefit plans
10 encompassing all or any class or classes of employees. With the exception of
11 employers governed by the provisions of KRS Chapters 16, 18A, and 151B,
12 all employers of any class of employees or former employees shall enter into
13 a contract with the Personnel Cabinet prior to including that group in the state
14 health insurance group. The contracts shall include but not be limited to
15 designating the entity responsible for filing any federal forms, adoption of
16 policies required for proper plan administration, acceptance of the contractual
17 provisions with health insurance carriers or third-party administrators, and
18 adoption of the payment and reimbursement methods necessary for efficient
19 administration of the health insurance program. Health insurance coverage
20 provided to state employees under this section shall, at a minimum, contain
21 the same benefits as provided under Kentucky Kare Standard as of January 1,
22 1994, and shall include a mail-order drug option as provided in subsection
23 (13) of this section. All employees and other persons for whom the health care
24 coverage is provided or made available shall annually be given an option to
25 elect health care coverage through a self-funded plan offered by the
26 Commonwealth or, if a self-funded plan is not available, from a list of
27 coverage options determined by the competitive bid process under the

1 provisions of KRS 45A.080, 45A.085, and 45A.090 and made available
2 during annual open enrollment.

3 (b) The policy or policies shall be approved by the commissioner of insurance
4 and may contain the provisions the commissioner of insurance approves,
5 whether or not otherwise permitted by the insurance laws.

6 (c) Any carrier bidding to offer health care coverage to employees shall agree to
7 provide coverage to all members of the state group, including active
8 employees and retirees and their eligible covered dependents and
9 beneficiaries, within the county or counties specified in its bid. Except as
10 provided in subsection (20) of this section, any carrier bidding to offer health
11 care coverage to employees shall also agree to rate all employees as a single
12 entity, except for those retirees whose former employers insure their active
13 employees outside the state-sponsored health insurance program and as
14 otherwise provided in KRS 61.702(2)(b)3.b. and 78.5536(2)(b)3.b.

15 (d) Any carrier bidding to offer health care coverage to employees shall agree to
16 provide enrollment, claims, and utilization data to the Commonwealth in a
17 format specified by the Personnel Cabinet with the understanding that the data
18 shall be owned by the Commonwealth; to provide data in an electronic form
19 and within a time frame specified by the Personnel Cabinet; and to be subject
20 to penalties for noncompliance with data reporting requirements as specified
21 by the Personnel Cabinet. The Personnel Cabinet shall take strict precautions
22 to protect the confidentiality of each individual employee; however,
23 confidentiality assertions shall not relieve a carrier from the requirement of
24 providing stipulated data to the Commonwealth.

25 (e) The Personnel Cabinet shall develop the necessary techniques and capabilities
26 for timely analysis of data received from carriers and, to the extent possible,
27 provide in the request-for-proposal specifics relating to data requirements,

1 electronic reporting, and penalties for noncompliance. The Commonwealth
2 shall own the enrollment, claims, and utilization data provided by each carrier
3 and shall develop methods to protect the confidentiality of the individual. The
4 Personnel Cabinet shall include in the October annual report submitted
5 pursuant to the provisions of KRS 18A.226 to the Governor, the General
6 Assembly, and the Chief Justice of the Supreme Court, an analysis of the
7 financial stability of the program, which shall include but not be limited to
8 loss ratios, methods of risk adjustment, measurements of carrier quality of
9 service, prescription coverage and cost management, and statutorily required
10 mandates. If state self-insurance was available as a carrier option, the report
11 also shall provide a detailed financial analysis of the self-insurance fund
12 including but not limited to loss ratios, reserves, and reinsurance agreements.

13 (f) If any agency participating in the state-sponsored employee health insurance
14 program for its active employees terminates participation and there is a state
15 appropriation for the employer's contribution for active employees' health
16 insurance coverage, then neither the agency nor the employees shall receive
17 the state-funded contribution after termination from the state-sponsored
18 employee health insurance program.

19 (g) Any funds in flexible spending accounts that remain after all reimbursements
20 have been processed shall be transferred to the credit of the state-sponsored
21 health insurance plan's appropriation account.

22 (h) Each entity participating in the state-sponsored health insurance program shall
23 provide an amount at least equal to the state contribution rate for the employer
24 portion of the health insurance premium. For any participating entity that used
25 the state payroll system, the employer contribution amount shall be equal to
26 but not greater than the state contribution rate.

27 (3) The premiums may be paid by the policyholder:

- 1 (a) Wholly from funds contributed by the employee, by payroll deduction or
2 otherwise;
- 3 (b) Wholly from funds contributed by any department, board, agency, public
4 postsecondary education institution, or branch of state, city, urban-county,
5 charter county, county, or consolidated local government; or
- 6 (c) Partly from each, except that any premium due for health care coverage or
7 dental coverage, if any, in excess of the premium amount contributed by any
8 department, board, agency, postsecondary education institution, or branch of
9 state, city, urban-county, charter county, county, or consolidated local
10 government for any other health care coverage shall be paid by the employee.
- 11 (4) If an employee moves his or her place of residence or employment out of the
12 service area of an insurer offering a managed health care plan, under which he or
13 she has elected coverage, into either the service area of another managed health care
14 plan or into an area of the Commonwealth not within a managed health care plan
15 service area, the employee shall be given an option, at the time of the move or
16 transfer, to change his or her coverage to another health benefit plan.
- 17 (5) No payment of premium by any department, board, agency, public postsecondary
18 educational institution, or branch of state, city, urban-county, charter county,
19 county, or consolidated local government shall constitute compensation to an
20 insured employee for the purposes of any statute fixing or limiting the
21 compensation of such an employee. Any premium or other expense incurred by any
22 department, board, agency, public postsecondary educational institution, or branch
23 of state, city, urban-county, charter county, county, or consolidated local
24 government shall be considered a proper cost of administration.
- 25 (6) The policy or policies may contain the provisions with respect to the class or classes
26 of employees covered, amounts of insurance or coverage for designated classes or
27 groups of employees, policy options, terms of eligibility, and continuation of

1 insurance or coverage after retirement.

2 (7) Group rates under this section shall be made available to the disabled child of an
3 employee regardless of the child's age if the entire premium for the disabled child's
4 coverage is paid by the state employee. A child shall be considered disabled if he or
5 she has been determined to be eligible for federal Social Security disability benefits.

6 (8) The health care contract or contracts for employees shall be entered into for a
7 period of not less than one (1) year.

8 (9) The secretary shall appoint thirty-two (32) persons to an Advisory Committee of
9 State Health Insurance Subscribers to advise the secretary or the secretary's
10 designee regarding the state-sponsored health insurance program for employees.
11 The secretary shall appoint, from a list of names submitted by appointing
12 authorities, members representing school districts from each of the seven (7)
13 Supreme Court districts, members representing state government from each of the
14 seven (7) Supreme Court districts, two (2) members representing retirees under age
15 sixty-five (65), one (1) member representing local health departments, two (2)
16 members representing the Kentucky Teachers' Retirement System, and three (3)
17 members at large. The secretary shall also appoint two (2) members from a list of
18 five (5) names submitted by the Kentucky Education Association, two (2) members
19 from a list of five (5) names submitted by the largest state employee organization of
20 nonschool state employees, two (2) members from a list of five (5) names submitted
21 by the Kentucky Association of Counties, two (2) members from a list of five (5)
22 names submitted by the Kentucky League of Cities, and two (2) members from a
23 list of names consisting of five (5) names submitted by each state employee
24 organization that has two thousand (2,000) or more members on state payroll
25 deduction. The advisory committee shall be appointed in January of each year and
26 shall meet quarterly.

27 (10) Notwithstanding any other provision of law to the contrary, the policy or policies

1 provided to employees pursuant to this section shall not provide coverage for
2 obtaining or performing an abortion, nor shall any state funds be used for the
3 purpose of obtaining or performing an abortion on behalf of employees or their
4 dependents.

5 (11) Interruption of an established treatment regime with maintenance drugs shall be
6 grounds for an insured to appeal a formulary change through the established appeal
7 procedures approved by the Department of Insurance, if the physician supervising
8 the treatment certifies that the change is not in the best interests of the patient.

9 (12) Any employee who is eligible for and elects to participate in the state health
10 insurance program as a retiree, or the spouse or beneficiary of a retiree, under any
11 one (1) of the state-sponsored retirement systems shall not be eligible to receive the
12 state health insurance contribution toward health care coverage as a result of any
13 other employment for which there is a public employer contribution. This does not
14 preclude a retiree and an active employee spouse from using both contributions to
15 the extent needed for purchase of one (1) state sponsored health insurance policy
16 for that plan year.

17 (13) (a) The policies of health insurance coverage procured under subsection (2) of
18 this section shall include a mail-order drug option for maintenance drugs for
19 state employees. Maintenance drugs may be dispensed by mail order in
20 accordance with Kentucky law.

21 (b) A health insurer shall not discriminate against any retail pharmacy located
22 within the geographic coverage area of the health benefit plan and that meets
23 the terms and conditions for participation established by the insurer, including
24 price, dispensing fee, and copay requirements of a mail-order option. The
25 retail pharmacy shall not be required to dispense by mail.

26 (c) The mail-order option shall not permit the dispensing of a controlled
27 substance classified in Schedule II.

- 1 (14) The policy or policies provided to state employees or their dependents pursuant to
2 this section shall provide coverage for obtaining a hearing aid and acquiring hearing
3 aid-related services for insured individuals under eighteen (18) years of age, subject
4 to a cap of two thousand five hundred dollars (\$2,500)~~one thousand four hundred~~
5 ~~dollars (\$1,400)~~ every thirty-six (36) months pursuant to KRS 304.17A-132.
- 6 (15) Any policy provided to state employees or their dependents pursuant to this section
7 shall provide coverage for the diagnosis and treatment of autism spectrum disorders
8 consistent with KRS 304.17A-142.
- 9 (16) Any policy provided to state employees or their dependents pursuant to this section
10 shall provide coverage for obtaining amino acid-based elemental formula pursuant
11 to KRS 304.17A-258.
- 12 (17) If a state employee's residence and place of employment are in the same county,
13 and if the hospital located within that county does not offer surgical services,
14 intensive care services, obstetrical services, level II neonatal services, diagnostic
15 cardiac catheterization services, and magnetic resonance imaging services, the
16 employee may select a plan available in a contiguous county that does provide
17 those services, and the state contribution for the plan shall be the amount available
18 in the county where the plan selected is located.
- 19 (18) If a state employee's residence and place of employment are each located in
20 counties in which the hospitals do not offer surgical services, intensive care
21 services, obstetrical services, level II neonatal services, diagnostic cardiac
22 catheterization services, and magnetic resonance imaging services, the employee
23 may select a plan available in a county contiguous to the county of residence that
24 does provide those services, and the state contribution for the plan shall be the
25 amount available in the county where the plan selected is located.
- 26 (19) The Personnel Cabinet is encouraged to study whether it is fair and reasonable and
27 in the best interests of the state group to allow any carrier bidding to offer health

1 care coverage under this section to submit bids that may vary county by county or
2 by larger geographic areas.

3 (20) Notwithstanding any other provision of this section, the bid for proposals for health
4 insurance coverage for calendar year 2004 shall include a bid scenario that reflects
5 the statewide rating structure provided in calendar year 2003 and a bid scenario that
6 allows for a regional rating structure that allows carriers to submit bids that may
7 vary by region for a given product offering as described in this subsection:

8 (a) The regional rating bid scenario shall not include a request for bid on a
9 statewide option;

10 (b) The Personnel Cabinet shall divide the state into geographical regions which
11 shall be the same as the partnership regions designated by the Department for
12 Medicaid Services for purposes of the Kentucky Health Care Partnership
13 Program established pursuant to 907 KAR 1:705;

14 (c) The request for proposal shall require a carrier's bid to include every county
15 within the region or regions for which the bid is submitted and include but not
16 be restricted to a preferred provider organization (PPO) option;

17 (d) If the Personnel Cabinet accepts a carrier's bid, the cabinet shall award the
18 carrier all of the counties included in its bid within the region. If the Personnel
19 Cabinet deems the bids submitted in accordance with this subsection to be in
20 the best interests of state employees in a region, the cabinet may award the
21 contract for that region to no more than two (2) carriers; and

22 (e) Nothing in this subsection shall prohibit the Personnel Cabinet from including
23 other requirements or criteria in the request for proposal.

24 (21) Any fully insured health benefit plan or self-insured plan issued or renewed on or
25 after July 12, 2006, to public employees pursuant to this section which provides
26 coverage for services rendered by a physician or osteopath duly licensed under KRS
27 Chapter 311 that are within the scope of practice of an optometrist duly licensed

1 under the provisions of KRS Chapter 320 shall provide the same payment of
2 coverage to optometrists as allowed for those services rendered by physicians or
3 osteopaths.

4 (22) Any fully insured health benefit plan or self-insured plan issued or renewed to
5 public employees pursuant to this section shall comply with:

- 6 (a) KRS 304.12-237;
- 7 (b) KRS 304.17A-270 and 304.17A-525;
- 8 (c) KRS 304.17A-600 to 304.17A-633;
- 9 (d) KRS 205.593;
- 10 (e) KRS 304.17A-700 to 304.17A-730;
- 11 (f) KRS 304.14-135;
- 12 (g) KRS 304.17A-580 and 304.17A-641;
- 13 (h) KRS 304.99-123;
- 14 (i) KRS 304.17A-138;
- 15 (j) KRS 304.17A-148;
- 16 (k) KRS 304.17A-163 and 304.17A-1631;
- 17 (l) KRS 304.17A-265;
- 18 (m) KRS 304.17A-261;
- 19 (n) KRS 304.17A-262;
- 20 (o) KRS 304.17A-145;
- 21 (p) KRS 304.17A-129;
- 22 (q) KRS 304.17A-133;
- 23 (r) KRS 304.17A-264; and
- 24 (s) Administrative regulations promulgated pursuant to statutes listed in this
25 subsection.

26 (23) (a) Any fully insured health benefit plan or self-insured plan issued or renewed to
27 public employees pursuant to this section shall provide a special enrollment

1 period to pregnant women who are eligible for coverage in accordance with
2 the requirements set forth in KRS 304.17-182.

3 (b) The Department of Employee Insurance shall, at or before the time a public
4 employee is initially offered the opportunity to enroll in the plan or coverage,
5 provide the employee a notice of the special enrollment rights under this
6 subsection.

7 ➔Section 3. This Act applies to health benefit plans issued or renewed on or after
8 January 1, 2027.

9 ➔Section 4. This Act takes effect January 1, 2027.