



KENTUCKY PUBLIC PENSIONS AUTHORITY

David L. Eager, Executive Director

1260 Louisville Road • Frankfort, Kentucky 40601
kyret.ky.gov • Phone: 502-696-8800 • Fax: 502-696-8822



March 12, 2024

Ms. Katie Carney
Office of Fiscal Statement Review
Legislative Research Committee
Capitol Annex, Room 104
Frankfort, KY 40601

**RE: House Bill 190 (2024 RS BR 898) – HCS 1 Version
AA Statement Required by KRS 6.350
AA Statement 1 and 2 of 5**

Dear Ms. Carney:

The Kentucky Public Pensions Authority (KPPA) had previously provided an Actuarial Analysis of House Bill 190 (2024 RS BR 898) via letter dated February 5, 2024. We have now examined the HCS 1 Version of House Bill 190 (2024 RS BR 898).

The HCS 1 Version of House Bill 190 (2024 RS BR 898) retains its original provisions, except amending the definition of "insurer" to make a technical amendment; adds the definition of "mail-order pharmaceutical distributor"; deletes prohibition on requiring or incentivizing use of a mail-order pharmaceutical distributor; and prohibits imposing greater or more restrictive requirements for use of a retail pharmacy to access a drug in certain circumstances.

We have determined that the HCS 1 Version of House Bill 190 (2024 RS BR 898) would not change the previous actuarial impact provided for this legislation. Therefore, the Actuarial Analysis statement of House Bill 190 (2024 RS BR 898) dated February 5, 2024, is applicable to the HCS 1 Version of House Bill 190 (2024 RS BR 898).

We have not requested any further actuarial analysis of HCS 1 Version of House Bill 190 (2024 RS BR 898) by the KPPA's independent actuary. Please let me know if you have any questions regarding our analysis of HCS 1 Version of House Bill 190 (2024 RS BR 898).

Sincerely,

A handwritten signature in black ink that reads "David Eager".

David L. Eager, Executive Director
Kentucky Public Pensions Authority



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February 5, 2024

Ms. Katie Carney
Executive Assistant, Director's Office
Legislative Research Commission
Capitol Annex, Room 186
Frankfort, KY 40601

RE: House Bill 190 (24 RS BR 898)
AA Statement Required by KRS 6.350
AA Statement 1 and 2 of 5

Dear Ms. Carney:

House Bill 190 (2024 RS BR 898) amends Kentucky Revised Statute (KRS) 304.17A-164 to prohibit insurers, pharmacy benefit managers, and other pharmacy benefit administrators from requiring or incentivizing the use of a mail-order pharmaceutical distributor; it amends KRS 304.17C-125, 304.38A-115, 18A.225, and 164.2871 to apply provisions of amended KRS 304.17A-164 to limited health service benefit plans, including limited health service contracts, limited health service organizations, the state employee health plan, and postsecondary educational institution self-insured group health plans; and it repeals 304.38A-120, relating to assignment of certain benefits under limited health service organization plans, to consolidate like provisions; make technical corrections; This bill becomes effective January 1, 2025.

Kentucky Public Pensions Authority (KPPA) staff members have examined House Bill 190 (2024 RS BR 898). We have determined that the bill will not increase or decrease benefits, nor will it increase or decrease the participation in benefits, in any of the retirement systems administered by the Kentucky Public Pensions Authority. House Bill 190 (2024 RS BR 898) will not change the actuarial accrued liability of any of the systems administered by KPPA.

In accordance with KRS 6.350 (2)(c), Kentucky Public Pensions Authority certifies the following:

1. The estimated number of individuals potentially affected as of June 30, 2023, are 421,609 active, inactive, and retired members in the plans administered by KPPA;
2. There is no estimated change in benefit payments;
3. There may be an increase in employer costs if the inclusion of pharmacy benefit requirements causes an increase to insurance premiums for the plans provided through KPPA; and
4. There is no estimated change in administrative expenses.

We have not requested any further actuarial analysis of House Bill 190 (2024 RS BR 898) by the KPPA's independent actuary.

Please let me know if you have any questions regarding our analysis of House Bill 190 (2024 RS BR 898).

Sincerely,

A handwritten signature in black ink that reads "David Eager". The signature is written in a cursive, flowing style.

David L. Eager, Executive Director
Kentucky Public Pensions Authority