



KENTUCKY PUBLIC PENSIONS AUTHORITY

David L. Eager, Executive Director

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January 26, 2024

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

RE: House Bill 273 (24 RS BR 1087)
AA Statement Required by KRS 6.350
AA Statement 1 and 2 of 5

Dear Ms. Carney:

House Bill 273 (2024 RS BR 1087) would create a new section of KRS Chapter 205 to require the Department for Medicaid Services and any managed care organization contracted to provide Medicaid benefits to provide comprehensive coverage for the treatment of obesity and inform Medicaid enrollees of the availability of the coverage; create a new section of KRS Chapter 211 to require the Cabinet for Health and Family Services to report annually to the Legislative Research Commission on efforts to reduce and manage obesity; require the report to be made public on the cabinet's website; amend KRS 205.6485 to require KCHIP to comply with the coverage requirement; make technical amendments; amend KRS 164.2871 and 18A.225 to require self-insured employer group health plans offered by the governing board of a state postsecondary education institution and the state employee health plan to provide comprehensive coverage for the treatment of obesity and establish cost-sharing requirements; provide that certain sections apply to health benefit plans issued or renewed on or after January 1, 2025; and require the Cabinet for Health and Family Services to seek federal approval, if necessary and submit information about any state plan amendment or waiver application. The Act would be cited as the Diabetes Prevention and Obesity Treatment Act.

Kentucky Public Pensions Authority (KPPA) staff members have examined House Bill 273 (2024 RS BR 1087). 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 273 (2024 RS BR 1087) 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 comprehensive coverage for the treatment of obesity 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 273 (2024 RS BR 1087) by the KPPA's independent actuary.

Please let me know if you have any questions regarding our analysis of House Bill 273 (2024 RS BR 1087).

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



JUDICIAL FORM RETIREMENT SYSTEM

JUDICIAL RETIREMENT PLAN | LEGISLATORS RETIREMENT PLAN

Daniel Venters, Chairman
Board of Trustees

Bo Cracraft
Executive Director

January 30, 2024

Ms. Katie Carney
Director's Office
Legislative Research Commission
Capitol Annex, Room 104
Frankfort, KY 40601

**RE: HB 273 - AN ACT relating to obesity treatment.
AA Statement 3 and 4 of 5**

Dear Ms. Carney:

HB 273 (BR 1087) would create a new section of KRS Chapter 205 to require the Department for Medicaid Services and any managed care organization contracted to provide Medicaid benefits to provide comprehensive coverage for the treatment of obesity and inform Medicaid enrollees of the availability of the coverage. The legislation would create a new section of KRS Chapter 211 to require the Cabinet for Health and Family Services to report annually to the Legislative Research Commission on efforts to reduce and manage obesity, require the report be on the cabinet's website, and require KCHIP to comply with the coverage requirement. In addition, self-insured employer group health plans offered by the governing board of a state postsecondary education institution and the state employee health plan would be required to provide comprehensive coverage for the treatment of obesity and establish cost-sharing requirements. The Act would be cited as the Diabetes Prevention and Obesity Treatment Act.

Staff of the Judicial Form Retirement System (JFRS) has reviewed **HB 273 (BR 1087)** and determined it would not materially increase or decrease benefits, or increase or decrease participation in benefits, or change the current actuarial liability of either plan administered by JFRS. The addition coverage for treatment of obesity could cause an increase to insurance premiums for the plans provided through JFRS, but that is not easily measurable at this time.

In compliance with KRS 6.350(2)(c), the Judicial Form Retirement Systems (the agency in charge with the administration of JRP and LRP) certifies the following:

1. The estimated number of participants potentially affected, as of June 30, 2023, are 1,018 individuals participating in JRP or LRP.
2. There is no estimated change in benefits.
3. There is no estimated change to current employer costs; however, if the inclusion of comprehensive coverage for the treatment of obesity resulted in increased insurance premiums, there could be an increase in employer cost.
4. There is no estimated change to administrative expenses.

We have not requested any further actuarial analysis of **HB 273 (BR 1087)** by the Systems' independent actuary. Please let me know if you have any questions regarding this analysis.

Sincerely,

Bo Cracraft, Executive Director