



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



January 25, 2024

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

RE: House Bill 290 (24 RS BR 862)
AA Statement Required by KRS 6.350
AA Statement 1 and 2 of 5

Dear Ms. Carney:

House Bill 290 (2024 RS BR 862) creates a new section of Subtitle 17A of Kentucky Revised Statute Chapter 304 to require certain health insurance policies, plans, certificates, and contracts to provide coverage for comprehensive supervised substance use disorder treatment; it creates a new section of Subtitle 17C of KRS Chapter 304 and amends KRS 164.2871 and 18A.225 to require limited health service benefit plans, the state employee health plan, and state postsecondary institution self-insured employer group health plans to comply with the coverage requirement; it applies provisions to policies, plans, certificates, and contracts issued or renewed on or after January 1, 2025; and provides that the Act may be cited as Braxton's Law. The bill becomes effective January 1, 2025.

Kentucky Public Pensions Authority (KPPA) staff members have examined House Bill 290 (2024 RS BR 862). 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 290 (2024 RS BR 862) 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. Requiring health plans to provide coverage for comprehensive supervised substance use disorder treatment may lead to higher insurance premiums for the plans offered through KPPA, potentially increasing employer costs; and
4. There is no estimated change in administrative expenses.

We have not requested any further actuarial analysis of House Bill 290 (2024 RS BR 862) by the KPPA's independent actuary.

Please let me know if you have any questions regarding our analysis of House Bill 290 (2024 RS BR 862).

Sincerely,

A handwritten signature in black ink that reads "David Eager". The signature is written in a cursive style with a large, sweeping initial "D".

David L. Eager, Executive Director
Kentucky Public Pensions Authority



January 30, 2024

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

**RE: HB 290 - AN ACT relating to coverage for substance use disorder.
AA Statement 3 and 4 of 5**

Dear Ms. Carney:

HB 290 (BR 862) would create new sections of KRS Chapter 304 to require certain health insurance policies, plans, certificates, and contracts to provide coverage for comprehensive supervised substance use disorder treatment, while also requiring limited health service benefit plans, the state employee health plan, and state postsecondary institution self-insured employer group health plans to comply with the coverage requirement. The Act would also apply provisions to policies, plans, certificates, and contracts issued or renewed on or after January 1, 2025.

Staff of the Judicial Form Retirement System (JFRS) has reviewed **HB 290 (BR 862)** 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. Requiring health plans to provide for comprehensive supervised substance use disorder treatment could lead to higher 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 coverage for substance use disorder treatments 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 290 (BR 862)** by the Systems' independent actuary. Please let me know if you have any questions regarding this analysis.

Sincerely,

Bo Cracraft,
Executive Director