Local Government Mandate Statement
Kentucky Legislative Research Commission
2024 Regular2024 Regular Session

Part I: Measure Information

Bill Request #: 862

Bill #: HB 290

Document ID #: 1911

Bill Title: AN ACT relating to coverage for substance use disorder.

Sponsor: Representative Josie Raymond

Unit of Government: **X** City **X** County **X** Urban-County
X Charter County **X** Consolidated Local **X** Unified Local Government

Office(s) Impacted: All offices that offer health insurance that provides coverage for substance use disorder for their employees.

Requirement: **X** Mandatory ____ Optional

Effect on
Powers & Duties: ____ Modifies Existing **X** Adds New ____ Eliminates Existing

Part II: Bill Provisions and the Estimated Fiscal Impact Relating to Local Government

HB 290 creates a new section of subtitle 17A of KRS chapter 304 that requires any health insurance policy, plan, certificate, or contract, including but not limited to a health benefit plan, that provides coverage for substance use disorder to provide coverage for comprehensive supervised substance use disorder treatment. The coverage shall not be limited to a duration of less than six months. If passed, it would take effect on January 1, 2025.

HB 290 would have a negative fiscal impact on local governments. Based on a 2023 Department of Insurance fiscal impact statement of a similar bill, the expected increase in premium for health benefit plans due to HB 290, excluding Medicaid and the state employees' health plan, is approximately $0.00 to $3.46 per member per month. The bill will likely not increase the administrative expenses of insurers.

LRC staff reached out to the Kentucky Association of Counties (KACo) and they said it would have an indeterminable impact on counties.

LRC staff reached out to the Kentucky League of Cities (KLC), and KLC believes that HB 290 as proposed would have a negative fiscal impact on Kentucky cities. According to KLC, HB 290 would require additional administrative costs associated with identifying qualified treatment centers, crafting new personnel policies, and may require the employee's position to remain available until the individual returns. This could cause additional costs associated with additional work to other employed staff and possible overtime pay. According to KLC, the additional administrative costs would have a negative fiscal impact on insurance premiums.

Data Source(s): Kentucky Department of Insurance; Kentucky Association of Counties; Kentucky League of Cities, LRC staff

Preparer: Bart Liguori (MS) **Reviewer:** KHC **Date:** 1/25/24