



# KENTUCKY PUBLIC PENSIONS AUTHORITY

David L. Eager, Executive Director

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February 1, 2024

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

**RE: House Bill 318 (24 RS BR 1073)**  
**AA Statement Required by KRS 6.350**  
**AA Statement 1 and 2 of 5**

Dear Ms. Carney:

House Bill 318 (2024 RS BR 1073) creates a new section of Kentucky Revised Statute 304.17A-600 to 304.17A-633 to require insurers of health benefit plans to offer a program to reduce or eliminate prior authorization requirements; it establishes notice requirements; establishes participating provider requirements; and provides that the Act applies to health benefit plans issued or renewed on or after January 1, 2026.

Kentucky Public Pensions Authority (KPPA) staff members have examined House Bill 318 (2024 RS BR 1073). 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 318 (2024 RS BR 1073) 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 mandates changing prior authorization requirements for insurers increases insurance premiums for the plans offered by the KPPA; and
4. There is no estimated change in administrative expenses.

We have not requested any further actuarial analysis of House Bill 318 (2024 RS BR 1073) by the KPPA's independent actuary.

Please let me know if you have any questions regarding our analysis of House Bill 318 (2024 RS BR 1073).

Sincerely,

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

David L. Eager, Executive Director  
Kentucky Public Pensions Authority

February 13, 2024

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

**RE: HB 318 (BR 1073) - AN ACT relating to prior authorization.  
AA Statement 3 and 4 of 5**

Dear Ms. Carney:

**HB 318 (BR 1073)** creates a new section of KRS Chapter 304 to require insurers of health benefit plans to offer a program to reduce or eliminate prior authorization requirements, establish notice requirements, establish participating provider requirements and provide that the Act applies to health benefit plans issued or renewed on or after January 1, 2026.

Staff of the Judicial Form Retirement System (JFRS) has reviewed **HB 318 (BR 1073)** 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 requirements outlined in the legislation 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 addition of prior authorization requirements 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 318 (BR 1073)** by the Systems' independent actuary. Please let me know if you have any questions regarding this analysis.

Sincerely,



Bo Cracraft,  
Executive Director