Local Government Mandate Statement Kentucky Legislative Research Commission 2024 Regular Session

Revised 01/29/2024

Part I: Measure Information

Bill Request #: 1073			
Bill #: _HB 318			
Document ID #: 1963			
Bill Title:	AN ACT relating to price	or authorization.	
Sponsor: Representative Edward Matthew Lockett			
Unit of Government:		X Consolidated Local	Unified Local
 X Charter County X Consolidated Local X Government Office(s) Impacted: All offices that offer health insurance for their employees. 			
Requirement: Mandatory _X_ Optional			
Effect on Powers & Duties: X	Modifies Existing	X Adds New El	liminates Existing

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

HB 318 creates a new section of KRS 304.17A-600 to KRS 304.17A-633 which requires all health benefit plans to offer a program established by the insurer to reduce or eliminate prior authorizations. Insurers must notify participating health care providers of the requirements they must meet in order to participate in the program. If a health care provider qualifies to participate in the program, the insurer must notify the provider that they qualify to participate in the program and a list of each type of health care service that is subject to the elimination or reduction of prior authorization requirements. If a health care provider chooses to participate in the program, they are required to enter into the following agreements with the insurer:

- a value-based health care reimbursement agreement where the provider takes the downside risk, and
- an electronic medical records access agreement.

HB 318 would have a fiscal impact on local governments. There may be an increase in premiums for local governments. The exact impact to premiums of health benefit plans is not known. This local mandate impact statement may be updated upon receipt of a health benefit mandate statement from the Department of Insurance

LRC reached out to the Kentucky League of Cities (KLC) and the Kentucky Association of Counties (KACo).

KLC believes that the fiscal impact on Kentucky cities is indeterminable. It is difficult to determine if reducing and/or eliminating prior authorization for certain procedures would have either a positive or negative impact on Kentucky cities' insurance premiums based upon available data.

KACo believes that this bill would have a negative fiscal impact on counties because it would likely increase insurance premiums.

Data Source(s): Kentucky League of Cities; Kentucky Association of Counties;

Department of Insurance

Preparer: Bart Liguori (MS) **Reviewer:** KHC **Date:** 1/29/24