



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 339 (24 RS BR 1322)
AA Statement Required by KRS 6.350
AA Statement 1 and 2 of 5

Dear Ms. Carney:

House Bill 339 (2024 RS BR 1322) amends Kentucky Revised Statute (KRS) 304.17A-600 to create a new section of KRS 304.17A-660 to 304.17A-665 to define terms; it requires certain health plans to provide coverage for medically necessary treatment of mental health and substance use disorder; establishes requirements relating to mental health and substance use disorder benefits and utilization review; amend KRS 304.17A-661 to require the commissioner of insurance to enforce the federal Mental Health Parity and Addiction Equity Act; makes conforming amendments; amends KRS 304.17A-665 to require the commissioner of insurance to provide and publish a report on mental health parity; creates new sections of KRS 304.17A-660 to 304.17A-665 to establish requirements for certain health plans with respect to prescriptions drugs for the treatment of substance use disorder; requires mental health and substance use disorder benefits to be classified as emergency benefits when provided by mental health and substance use disorder emergency practitioners; requires certain health plans to provide coverage for an annual comprehensive mental health wellness examination provided by a mental health professional in accordance with nationally recognized clinical practice guidelines; establishes requirements for the mental health wellness examination coverage; creates a new section of Subtitle 99 of KRS Chapter 304 to establish penalties; amend KRS 304.17A-265 to conform; amend KRS 164.2871, 205.522, 205.6485, and 18A.225 to require self-insured employer group health plans provided by the governing board of a state postsecondary education institution, Medicaid, the Kentucky Children's Health Insurance Program, and the state employee health plan to comply with certain sections; makes technical amendments; repeal KRS 304.17A-669; directs that provisions apply to health plans issued or renewed on or after January 1, 2026; requires the Department of Insurance to seek a waiver of cost defrayal requirements, if applicable; and requires the Cabinet for Health and Family Services to seek federal approval if they determine that such approval is necessary. The bill becomes effective, in part, on January 1, 2026.

Kentucky Public Pensions Authority (KPPA) staff members have examined House Bill 339 (2024 RS BR 1322). 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 339 (2024 RS BR 1322) 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 medically necessary treatments of mental health and substance use disorders is required in certain health plans, potentially causing 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 339 (2024 RS BR 1322) by the KPPA's independent actuary.

Please let me know if you have any questions regarding our analysis of House Bill 339 (2024 RS BR 1322).

Sincerely,



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 339 - AN ACT relating to coverage of mental health and substance use disorders.
AA Statement 3 and 4 of 5**

Dear Ms. Carney:

HB 339 (BR 1322) amends KRS Chapter 304 and creates a new section to require certain health plans to provide coverage for medically necessary treatment of mental health and substance use disorder. It establishes requirements relating to mental health and substance use disorder benefits and utilization review; amend KRS 304.17A-661 to require the commissioner of insurance to enforce the federal Mental Health Parity and Addiction Equity Act; makes conforming amendments; amends KRS 304.17A-665 to require the commissioner of insurance to provide and publish a report on mental health parity; creates new sections of KRS 304.17A-660 to 304.17A-665 to establish requirements for certain health plans with respect to prescriptions drugs for the treatment of substance use disorder; requires mental health and substance use disorder benefits to be classified as emergency benefits when provided by mental health and substance use disorder emergency practitioners; requires certain health plans to provide coverage for an annual comprehensive mental health wellness examination provided by a mental health professional in accordance with nationally recognized clinical practice guidelines; establishes requirements for the mental health wellness examination coverage; creates a new section of Subtitle 99 of KRS Chapter 304 to establish penalties; amend KRS 304.17A-265 to conform; amend KRS 164.2871, 205.522, 205.6485, and 18A.225 to require self-insured employer group health plans provided by the governing board of a state postsecondary education institution, Medicaid, the Kentucky Children's Health Insurance Program, and the state employee health plan to comply with certain sections; makes technical amendments; repeal KRS 304.17A-669; directs that provisions apply to health plans issued or renewed on or after January 1, 2026; requires the Department of Insurance to seek a waiver of cost defrayal requirements, if applicable; and requires the Cabinet for Health and Family Services to seek federal approval if they determine that such approval is necessary.

Staff of the Judicial Form Retirement System (JFRS) has reviewed **HB 339 (BR 1322)** 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 additional levels of mental and substance abuse coverage 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.

Whitaker Bank Building, Suite 302 | 305 Ann Street | Frankfort, Kentucky 40601

 (502) 564-5310 | Fax (502) 564-2560 |  Bo.Cracraft@ky.gov

2. There is no estimated change in benefits.
3. There is no estimated change to current employer costs; however, if the inclusion of the additional coverage as outlined in the legislation 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 339 (BR 1322)** by the Systems' independent actuary. Please let me know if you have any questions regarding this analysis.

Sincerely,

A handwritten signature in black ink that reads "Bo Cracraft". The signature is written in a cursive, flowing style.

Bo Cracraft,
Executive Director