



KENTUCKY PUBLIC PENSIONS AUTHORITY

David L. Eager, Executive Director

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January 26, 2024

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

RE: House Bill 63 (24 RS BR 892)
AA Statement Required by KRS 6.350
AA Statement 1 and 2 of 5

Dear Ms. Carney:

House Bill 63 (2024 RS BR 892) would create a new section of Subtitle 17A of KRS Chapter 304 to require coverage for an annual pap smear without cost sharing; amend KRS 304.17A-647 to conform; amend KRS 304.17C-125, 205.522, 164.2871, and 18A.225 to require limited health service benefit plans, Medicaid, self-insured employer group health plans provided by the governing board of a state postsecondary education institution, and the state employee health plan to comply with the pap smear coverage requirement; apply requirement to health insurance policies, certificates, plans, or contracts issued or renewed on or after January 1, 2025; and require the Cabinet for Health and Family Services to obtain federal approval if necessary relative to Medicaid. The bill becomes effective, in part, on January 1, 2025.

Kentucky Public Pensions Authority (KPPA) staff members have examined House Bill 63 (2024 RS BR 892). 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 63 (2024 RS BR 892) 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 an annual pap smear without cost sharing causes 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 63 (2024 RS BR 892) by the KPPA's independent actuary.

Please let me know if you have any questions regarding our analysis of House Bill 63 (2024 RS BR 892).

Sincerely,

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

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 63 - AN ACT relating to coverage for annual pap smears.
AA Statement 3 and 4 of 5**

Dear Ms. Carney:

HB 63 (BR 892) would create a new section KRS Chapter 304 to require coverage for an annual pap smear without cost sharing, while amending various statutes to require limited health service benefit plans, Medicaid, self-insured employer group health plans, and the state employee health plan to comply with the pap smear coverage requirement. The bill would also apply requirement to health insurance policies, certificates, plans, or contracts issued or renewed on or after January 1, 2025 and require the Cabinet for Health and Family Services to obtain federal approval if necessary relative to Medicaid.

Staff of the Judicial Form Retirement System (JFRS) has reviewed **HB 63 (BR 892)** 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 required coverage for an annual pap smear 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 inclusion of required screenings 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 63 (BR 892)** by the Systems' independent actuary. Please let me know if you have any questions regarding this analysis.

Sincerely,

Bo Cracraft,
Executive Director