

KENTUCKY PUBLIC PENSIONS AUTHORITY

David L. Eager, Executive Director

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February 29, 2024

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

RE: House Bill 768 (2024 RS BR 1366) AA Statement Required by KRS 6.350 AA Statement 1 and 2 of 5

Dear Ms. Carney:

House Bill 768 (2024 RS BR 1366) creates a new sections of Subtitle 17A of Kentucky Revised Statute Chapter 304 to require health benefit plans to provide coverage for the treatment of plagiocephaly; prohibits certain restrictions on coverage for the treatment of plagiocephaly; requires health benefit plans to provide coverage for cranial banding when prescribed by a health care provider; prohibits certain restrictions on coverage for cranial banding; amends KRS 205.522, 205.6485, 164.2871, and 18A.225 to require Medicaid, the Kentucky Children's Health Insurance Program (KCHIP), self-insured employer plans offered by state postsecondary education institutions, and the state employee health plan to comply with the coverage requirements for the treatment of plagiocephaly and cranial banding; applies provisions to health benefit plans issued or renewed on or after January 1, 2025; and requires the Cabinet for Health and Family Services to seek federal approval if necessary. This bill is effective, in part, January 1, 2025.

Kentucky Public Pensions Authority (KPPA) staff members have examined House Bill 768 (2024 RS BR 1366). 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 768 (2024 RS BR 1366) 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 change increases insurance premiums for the plans offered by the KPPA; and
- 4. There is no estimated change in administrative expenses.

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We have not requested any further actuarial analysis of House Bill 768 (2024 RS BR 1366) by the KPPA's independent actuary.

Please let me know if you have any questions regarding our analysis of House Bill 768 (2024 RS BR 1366).

Sincerely,

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David L. Eager, Executive Director Kentucky Public Pensions Authority

March 6, 2024

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

RE: HB 768 - AN ACT relating to coverage for cranial conditions.

AA Statement 3 and 4 of 5

Dear Ms. Carney:

HB 768 (BR 1366) would create new sections of Subtitle 17A of KRS Chapter 304 to require health benefit plans to provide coverage for the treatment of plagiocephaly; prohibit certain restrictions on coverage for the treatment of plagiocephaly; require health benefit plans to provide coverage for cranial banding when prescribed by a health care provider; prohibit certain restrictions on coverage for cranial banding; amend KRS 205.522, 205.6485, 164.2871, and 18A.225 to require Medicaid, the Kentucky Children's Health Insurance Program (KCHIP), self-insured employer plans offered by state postsecondary education institutions, and the state employee health plan to comply with the coverage requirements for the treatment of plagiocephaly and cranial banding; apply provisions to health benefit plans issued or renewed on or after January 1, 2025; require the Cabinet for Health and Family Services to seek federal approval if necessary.

Staff of the Judicial Form Retirement System (JFRS) has reviewed **HB 768 (BR 1366)** 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, however, if the requirements outlined in the legislation 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 768 (BR 1366)** by the Systems' independent actuary. Please let me know if you have any questions regarding this analysis.

Sincerely,

Cal & Cept

Bo Cracraft,

Executive Director