



KENTUCKY PUBLIC PENSIONS AUTHORITY

David L. Eager, Executive Director

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March 7, 2024

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

RE: Senate Bill 111 GA (24 RS BR 199)
AA Statement Required by KRS 6.350
AA Statement 1 and 2 of 5

Dear Ms. Carney:

Senate Bill 111 (2024 RS BR 199) creates a new section of Subtitle 17A of Kentucky Revised Statute (KRS) Chapter 304 to require health insurance coverage for speech therapy as a treatment for stuttering; it amends KRS 304.17C-125, 205.522, 205.6485, 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 speech therapy coverage requirement and to make technical amendments; it provides that various sections apply to health insurance policies, certificates, plans, or contracts issued or renewed on or after January 1, 2025; it establishes the construction of Section 1 for purposes of federal law and require state officials to comply; and requires the Department of Insurance and the Cabinet for Health and Family Services to seek federal approval, if necessary. The bill becomes effective, in part, January 1, 2025.

Kentucky Public Pensions Authority (KPPA) staff members have examined Senate Bill 111 (2024 RS BR 199). 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. Senate Bill 111 (2024 RS BR 199) 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. Requiring health plans to cover speech therapy treatments for stuttering without cost sharing may lead to higher insurance premiums for the plans offered through KPPA, potentially increasing employer costs; and
4. There is no estimated change in administrative expenses.

We have not requested any further actuarial analysis of Senate Bill 111 (2024 RS BR 199) by the KPPA's independent actuary.

Please let me know if you have any questions regarding our analysis of Senate Bill 111 (2024 RS BR 199).

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

March 7, 2024

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

**RE: SB 111 GA - AN ACT relating to coverage for the treatment of stuttering.
AA Statement 3 and 4 of 5**

Dear Ms. Carney:

SB 111 (BR 199) would create a new section KRS Chapter 304 to require health insurance coverage for speech therapy as a treatment for stuttering, 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 speech therapy 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.

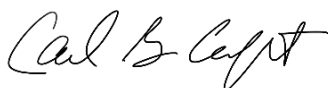
Staff of the Judicial Form Retirement System (JFRS) has reviewed **SB 111 (BR 199)** and determined it would not materially increase or decrease benefits, or increase or decrease participation in benefits, or change the current actuarial liability of either plan administered by JFRS. The required coverage to cover speech therapy treatments for stuttering 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 speech therapy treatments 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 **SB 111 (BR 199)** by the Systems' independent actuary. Please let me know if you have any questions regarding this analysis.

Sincerely,



Bo Cracraft,
Executive Director

March 7, 2024

Katie Carney

Office of Special Projects

Legislative Research Commission

Frankfort, KY 40601

RE: 24 RS SB 111 GA/BR 199

AA Statement 5 of 5

Dear Ms. Carney:

24 RS SB 111, an Act relating to coverage for the treatment of stuttering, would, in part, create a new section of Subtitle 17A of KRS Chapter 304 to require health insurance coverage for speech therapy as a treatment for stuttering; amend KRS 304.17C-125, 205.522, 205.6485, 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 speech therapy coverage requirement and to make technical amendments; provide that various sections apply to health insurance policies, certificates, plans, or contracts issued or renewed on or after January 1, 2025; establish the construction of Section 1 for purposes of federal law and require state officials to comply; require the Department of Insurance and the Cabinet for Health and Family Services to seek federal approval, if necessary. This bill would be effective, in part, January 1, 2025.

Staff has reviewed 24 RS SB 111 and found that the bill will not increase or decrease benefit payments, nor will it increase or decrease the participation in benefits, offered by TRS. There would be no material impact on the actuarial liability of the system from this bill alone. Requiring health care plans, including the Kentucky Employees Health Plan in which TRS retirees not eligible for Medicare participate, to include coverage for the treatment of stuttering could result in some increase in insurance premiums for either the Commonwealth, or retirees, or both, but that increase is not determinable by TRS. The Fiscal Impact Statement submitted by the Kentucky Department of Insurance indicates that the bill generally is not expected to materially increase the cost of total healthcare in the Commonwealth.

Given the foregoing, TRS has not requested a formal actuarial analysis from the independent actuary.

TRS certifies, in compliance with KRS 6.350(2)(c), as follows:

1. There are nearly 140,000 members of TRS.
2. There is no change in benefit payments offered by TRS.
3. There could be a slight increase in employer costs.
4. There would be no increase in administrative costs.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Barnes", with a long horizontal flourish extending to the right.

Robert B. Barnes

Deputy Executive Secretary and

General Counsel