



# TEACHERS' RETIREMENT SYSTEM

## of the State of Kentucky

**GARY L. HARBIN, CPA**  
*Executive Secretary*

**ROBERT B. BARNES, JD**  
*Deputy Executive Secretary*  
*Operations and General Counsel*

**J. ERIC WAMPLER, JD**  
*Deputy Executive Secretary*  
*Finance and Administration*

March 28, 2024

Katie Carney  
Office of Special Projects  
Legislative Research Commission  
Frankfort, KY 40601

RE: 24 RS SB 188 GA – Revised/BR 1333  
AA Statement 1 of 5

Dear Ms. Carney:

24 RS SB 188 GA, an Act relating to patient access to pharmacy benefits, would, in part, create new sections of Subtitle 17A of KRS Chapter 304 to define terms for pharmacy-related insurance practices; require insurers, pharmacy benefit managers, and other pharmacy benefits administrators to establish reasonably adequate and accessible pharmacy networks; require the filing of an annual report; require the insurance commissioner to review pharmacy networks; provide that information and data acquired by the Department of Insurance shall be considered proprietary and not subject to disclosure under KRS 61.870 to 61.884 relating to open records; establish requirements for certain contracts between a pharmacy or pharmacist and an insurer, a pharmacy benefit manager, or any other pharmacy benefits administrator; establish prohibited conduct and requirements for certain pharmacy-related insurance practices; establish a complaint process for insureds, pharmacies, and pharmacists impacted by a violation of certain pharmacy-related insurance laws; create a new section of Subtitle 99 of KRS Chapter 304 to authorize the insurance commissioner to order reimbursement to persons who incurred a monetary loss as a result of a violation of certain pharmacy-related insurance laws; amend KRS 304.9-053 to require certain filings; amend KRS 304.9-054 to establish requirements for pharmacy benefit manager licensure; amend KRS 304.9-055 to permit the insurance commissioner to promulgate administrative regulations relating to pharmacy benefit managers; amend KRS 304.14-120 to require the insurance commissioner to review certain health plans; amend KRS 304.17A-712 to conform; amend KRS 304.17C-125 to apply certain pharmacy-related insurance laws to limited health service benefit plans, including limited health service contracts; amend KRS 304.38A-115 to apply certain pharmacy-related insurance laws to limited health service organizations; create a new section of KRS Chapter 18A to require the state employee health plan and state agencies to comply with certain pharmacy-related insurance laws; amend KRS 367.828 to establish certain requirements for health discount plans relating to prescription drugs; make technical corrections; repeal KRS 304.38A-120, relating to assignment of certain benefits under limited health service organization plans, to consolidate provisions; apply various sections to contracts issued or renewed on or after January 1, 2025; require the insurance commissioner to promulgate

administrative regulations to implement this Act on or before January 1, 2025; SB 188 GA would, in part, be effective January 1, 2025.

24 RS SB 188 GA specifically exempts from its definition of health plans the Medicare-eligible health plan established by Teachers' Retirement System of the State of Kentucky (TRS). The bill would not increase or decrease benefit payments, nor will it increase or decrease the participation in benefits (except as the bill may impact benefits for retirees covered under the Kentucky Employees' Health Plan) offered by TRS. There would be no impact on the actuarial liability of the system from this bill.

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 for TRS.

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



# JUDICIAL FORM RETIREMENT SYSTEM

JUDICIAL RETIREMENT PLAN | LEGISLATORS RETIREMENT PLAN

Daniel Venters, Chairman  
Board of Trustees

Bo Cracraft  
Executive Director

March 27, 2024

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

**RE: SB 188 GA/BR 1333 - AN ACT relating to patient access to pharmacy benefits.**  
AA statement 2 and 3 of 5

Dear Ms. Carney:

Judicial Form Retirement System (JFRS) has examined the **GA version** of **SB 188**. After review, we do not believe this version will have an impact or change the previous actuarial analysis provided by JFRS on February 16, 2024 with regards the SB 188.

As a result, we have not requested any further actuarial analysis of SB 188 by the Systems' independent actuary. Please let me know if you have any questions regarding our analysis.

Sincerely,

Bo Cracraft,  
Executive Director

February 16, 2024

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

**RE: SB 188 (BR 1333) - AN ACT relating to patient access to pharmacy benefits.  
AA Statement 3 and 4 of 5**

Dear Ms. Carney:

**SB 188 (BR 1333)** creates new sections of Subtitle 17A of KRS Chapter 304 to define terms for pharmacy-related insurance practices and require insurers, pharmacy benefit managers, and other pharmacy benefits administrators to establish reasonably adequate and accessible pharmacy networks. It also requires the filing of an annual report; requires the insurance commissioner to review pharmacy networks; provides that information and data acquired by the Department of Insurance shall be considered proprietary and not subject to disclosure under open records; establishes requirements for certain contracts between a pharmacy or pharmacist and an insurer, a pharmacy benefit manager, or any other pharmacy benefits administrator; establish prohibited conduct and requirements for certain pharmacy-related insurance practices; establish a complaint process for insureds, pharmacies, and pharmacists impacted by a violation of certain pharmacy-related insurance laws; The bill also creates a new section of Subtitle 99 of KRS Chapter 304 to authorize the insurance commissioner to order reimbursement to persons who incurred a monetary loss as a result of a violation of certain pharmacy-related insurance laws; amends statute require certain filings; establish requirements for pharmacy benefit manager licensure; permit the insurance commissioner to promulgate administrative regulations relating to pharmacy benefit managers; require the insurance commissioner to review certain health plans; and apply certain pharmacy-related insurance laws to limited health service benefit plans, including limited health service contracts and limited health service organizations. The bill also creates a new section of KRS Chapter 18A to require the state employee health plan and state agencies to comply with certain pharmacy-related insurance laws; amends statute to establish certain requirements for health discount plans relating to prescription drugs; make technical corrections; apply various sections to contracts issued or renewed on or after January 1, 2025.

Staff of the Judicial Form Retirement System (JFRS) has reviewed **SB 188 (BR 1333)** 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 potentially lead to 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 changes required by this 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 **SB 188 (BR 1333)** by the Systems' independent actuary. Please let me know if you have any questions regarding this analysis.

Sincerely,

A handwritten signature in black ink, appearing to read "Bo Cracraft". The signature is written in a cursive, flowing style.

Bo Cracraft,  
Executive Director



## 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



March 27, 2024

Ms. Katie Carney  
Office of Fiscal Statement Review  
Legislative Research Commission  
Capitol Annex, Room 104  
Frankfort, KY 40601

**RE: Senate Bill 188 (2024 RS BR 1333) – GA Version**  
**AA Statement Required by KRS 6.350**  
**AA Statement 4 and 5 of 5**

Dear Ms. Carney:

The Kentucky Public Pensions Authority (KPPA) had previously provided an Actuarial Analysis of Senate Bill 188 (2024 RS BR 1333) – SCS 1 Version via letter dated March 18, 2024. We have now examined the GA Version of Senate Bill 188 (2024 RS BR 1333).

We have determined that the GA Version of Senate Bill 188 (2024 RS BR 1333) would not impact the previous actuarial statement provided for this legislation. Therefore, the Actuarial Analysis of Senate Bill 188 (2024 RS BR 1333) – SCS 1 Version, dated March 18, 2024, is applicable to Senate Bill 188 (2024 RS BR 1333) – GA Version.

We have not requested any further actuarial analysis of Senate Bill 188 (2024 RS BR 1333) – GA Version by the KPPA's independent actuary. Please let me know if you have any questions regarding our analysis of Senate Bill 188 (2024 RS BR 1333) – GA Version.

Sincerely,

A handwritten signature in black ink that reads "David Eager".

David L. Eager, Executive Director  
Kentucky Public Pensions Authority



## KENTUCKY PUBLIC PENSIONS AUTHORITY

David L. Eager, Executive Director

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March 18, 2024

Ms. Katie Carney  
Office of Fiscal Statement Review  
Legislative Research Committee  
Capitol Annex, Room 104  
Frankfort, KY 40601

**RE: Senate Bill 188 (2024 RS BR 1333)– SCS 1 Version  
AA Statement Required by KRS 6.350  
AA Statement 1 and 2 of 5**

Dear Ms. Carney:

The Kentucky Public Pensions Authority (KPPA) had previously provided an Actuarial Analysis of Senate Bill 188 (2024 RS BR 1333) via letter dated February 13, 2024. We have now examined the SCS 1 Version of Senate Bill 188 (2024 RS BR 1333).

The SCS 1 Version of Senate Bill 188 (2024 RS BR 1333) retains its original provisions, except it exempts Medicare Part D plans and student health insurance from the definition of "health plan"; defines "ambulatory pharmacy"; amends minimum dispensing fee requirements; require the insurance commissioner to make a determination based on a study conducted every two years; deletes prohibition against requiring or incentivizing the use of a mail-order pharmacy to furnish prescription drugs for subsequent administration in a hospital, clinic, pharmacy, or infusion center; amend requirements for the insurance commissioner's review of health plans; creates a new section of KRS Chapter 315 to require reporting by ambulatory pharmacies to the Kentucky Board of Pharmacy; establishes requirements for the collection, use, and sharing of data; requires the Department of Insurance and the Kentucky Board of Pharmacy to consult, share data, and promulgate administrative regulations; and requires administrative regulations to be promulgated by certain dates.

We have determined that the SCS 1 Version of Senate Bill 188 (2024 RS BR 1333) would not change the previous actuarial impact provided for this legislation. Therefore, the Actuarial Analysis statement of Senate Bill 188 (2024 RS BR 1333) dated February 13, 2024, is applicable to the SCS 1 Version of Senate Bill 188 (2024 RS BR 1333).

We have not requested any further actuarial analysis of SCS 1 Version of Senate Bill 188 (2024 RS BR 1333) by the KPPA's independent actuary. Please let me know if you have any questions regarding our analysis of SCS 1 Version of Senate Bill 188 (2024 RS BR 1333).

Sincerely,

David L. Eager, Executive Director  
Kentucky Public Pensions Authority



# KENTUCKY PUBLIC PENSIONS AUTHORITY

David L. Eager, Executive Director

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February 13, 2024

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

**RE: Senate Bill 188 (24 RS BR 1333)**  
**AA Statement Required by KRS 6.350**  
**AA Statement 1 and 2 of 5**

Dear Ms. Carney:

House Bill 188 (2024 RS BR 1333) creates new sections of Subtitle 17A of Kentucky Revised Statute Chapter 304 to define terms for pharmacy-related insurance practices; requires insurers, pharmacy benefit managers, and other pharmacy benefits administrators to establish reasonably adequate and accessible pharmacy networks; require the filing of an annual report; requires the insurance commissioner to review pharmacy networks; provide that information and data acquired by the Department of Insurance shall be considered proprietary and not subject to disclosure under KRS 61.870 to 61.884 relating to open records; establish requirements for certain contracts between a pharmacy or pharmacist and an insurer, a pharmacy benefit manager, or any other pharmacy benefits administrator; establishes prohibited conduct and requirements for certain pharmacy-related insurance practices; establishes a complaint process for insureds, pharmacies, and pharmacists impacted by a violation of certain pharmacy-related insurance laws; create a new section of Subtitle 99 of KRS Chapter 304 to authorize the insurance commissioner to order reimbursement to persons who incurred a monetary loss as a result of a violation of certain pharmacy-related insurance laws; amend KRS 304.9-053 to require certain filings; amends KRS 304.9-054 to establish requirements for pharmacy benefit manager licensure; amends KRS 304.9-055 to permit the insurance commissioner to promulgate administrative regulations relating to pharmacy benefit managers; amends KRS 304.14-120 to require the insurance commissioner to review certain health plans; amends KRS 304.17A-712 to conform; amend KRS 304.17C-125 to apply certain pharmacy-related insurance laws to limited health service benefit plans, including limited health service contracts; amends KRS 304.38A-115 to apply certain pharmacy-related insurance laws to limited health service organizations; creates a new section of KRS Chapter 18A to require the state employee health plan and state agencies to comply with certain pharmacy-related insurance laws; amends KRS 367.828 to establish certain requirements for health discount plans relating to prescription drugs; makes technical corrections; repeals KRS 304.38A-120, relating to assignment of certain benefits under limited health service organization plans, to consolidate provisions; applies various sections to contracts issued or renewed on or after January 1, 2025; and requires the insurance commissioner to promulgate administrative regulations to implement this Act on or before January 1, 2025. This bill is effective, in part, January 1, 2025.



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Kentucky Public Pensions Authority (KPPA) staff members have examined Senate Bill 188 (2024 RS BR 1333). 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 188 (2024 RS BR 1333) will not change the actuarial accrued liability of any of the systems administered by KPPA.

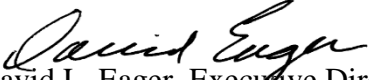
In accordance with KRS 6.350 (2)(c), Kentucky Public Pensions Authority certifies the following:

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.

We have not requested any further actuarial analysis of Senate Bill 188 (2024 RS BR 1333) by the KPPA's independent actuary.

Please let me know if you have any questions regarding our analysis of Senate Bill 188 (2024 RS BR 1333).

Sincerely,

  
David L. Eager, Executive Director  
Kentucky Public Pensions Authority