

KENTUCKY PUBLIC PENSIONS AUTHORITY

David L. Eager, Executive Director

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March 6, 2024

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

RE: Senate Bill 367 (2024 RS BR 2423)

AA Statement Required by KRS 6.350

AA Statement 1 and 2 of 5

Dear Ms. Carney:

Senate Bill 367 (2024 RS BR 2423) creates new sections of Kentucky Revised Statute Chapter 194A to establish the Kentucky all-payer claims database; it establishes purposes, definitions, and a restricted fund for the database; requires the executive director of the Office of Data Analytics to develop, implement, operate, and maintain the database and promulgate administrative regulations to carry out those duties; establishes an advisory council to make recommendations to the executive director; establishes requirements for database administration and operations; requires state-regulated health payers to report to the database; amends KRS 194A.030, 194A.101, and 304.2-100 to conform; creates a new section of Subtitle 99 of KRS Chapter 304 to require the commissioner of insurance to enforce reporting requirements; establishes time for making initial appointments and provide for staggered appointments to the advisory council; and requires the Cabinet for Health and Family Services to obtain a federal waiver within 90 days after the effective date of Act if necessary for implementation. This bill includes an appropriation by the General Assembly to develop, implement, operate, and maintain the Kentucky all-payer claims database.

Kentucky Public Pensions Authority (KPPA) staff members have examined Senate Bill 367 (2024 RS BR 2423). We have determined that the bill will not increase or decrease benefits, nor will it increase or decrease participation in benefits, in any of the systems administered by the KPPA. Senate Bill 367 (2024 RS BR 2423) will not change the actuarial accrued liability of any of the systems administered by the KPPA.

In accordance with KRS 6.350 (2)(c), the KPPA 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 is no estimated change in employer costs; and

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4. There may be an increase in administrative expenses as Section 6 of the proposed legislation mandates that any health plan or program administrator under Kentucky law adhere to the data submission guidelines specified in that section.

We have not requested any further actuarial analysis of Senate Bill 367 (2024 RS BR 2423) by the KPPA's independent actuary.

Please let me know if you have any questions regarding our analysis of Senate Bill 367 (2024 RS BR 2423).

Sincerely,

David L. Eager, Executive Director

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Kentucky Public Pensions Authority