



# KENTUCKY PUBLIC PENSIONS AUTHORITY

Ryan Barrow, Executive Director

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February 11, 2025

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

AA Statement 1 of 3.

RE: House Bill 413 (2025 RS BR 870)  
AN ACT relating to prescription drugs  
AA Statement Required by KRS 6.350

Dear Ms. Allen:

The Kentucky Public Pensions Authority (KPPA) staff have reviewed the proposed legislation and certify the following in accordance with KRS 6.350 (2)(c):

1. The estimated number of individuals potentially affected as of June 30, 2024 are 433,461 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 changes increase insurance premiums for the plans offered by the KPPA; and
4. There is no estimated change in administrative expenses.

KPPA has not sought further analysis of the proposed legislation from the independent actuary.

Should you have any questions regarding our assessment of the proposed bill, please contact us.

Sincerely,

A handwritten signature in purple ink, appearing to read "Ryan Barrow".

Ryan Barrow, 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

February 18, 2025

Mrs. Maurya Allen  
Deputy Director's Office  
Legislative Research Commission  
Capitol Annex, Room 186  
Frankfort, KY 40601

AA Statement 2 of 3.

**RE: HB 413 (BR 870) - AN ACT relating to prescription drugs.**

Dear Mrs. Allen:

**HB 413 (BR 870)** amends KRS 304.17A-164 to establish cost-sharing requirements for prescription drugs; require rebates to be passed through; establish confidentiality requirements for the rebate information; create a new section of KRS 365.880 to 365.900 to provide that the actual amount of rebates received is a trade secret; provide that compliance with prescription drug cost-sharing and rebate requirements shall not be in violation of the Uniform Trade Secrets Act; amend KRS 304.17C-125, 304.38A-115, 18A.225, and 164.2871 to apply the cost-sharing and rebate requirements for prescription drugs to limited health service benefit plans, limited health service organizations, the state employee health plan, and self-insured employer group health plans provided by the governing board of a state postsecondary education institution; apply provisions to health plans issued or renewed on or after January 1, 2026; EFFECTIVE January 1, 2026.

Staff of the Judicial Form Retirement System (JFRS) has reviewed **HB 413 (BR 870)** 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 premiums for insurance policies 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, 2024, are 1,012 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 the additional coverage as outlined in the legislation 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 413 (BR 870)** by the Systems' independent actuary. Please let me know if you have any questions regarding this analysis.

Sincerely,

Bo Cracraft, Executive Director

Whitaker Bank Building, Suite 302 | 305 Ann Street | Frankfort, Kentucky 40601

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# 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 12, 2025

Maurya Allen  
Office of Special Projects  
Legislative Research Commission  
Capitol Annex, Room 39  
Frankfort, KY 40601

AA Statement 3 of 3.

RE: HB 413 (2025 RS BR 870)

Dear Ms. Allen:

25 RS HB 413, an act relating to prescription drugs, would amend KRS 304.17A-164 to establish cost-sharing requirements for prescription drugs; require rebates to be passed through; establish confidentiality requirements for the rebate information; create a new section of KRS 365.880 to 365.900 to provide that the actual amount of rebates received is a trade secret; provide that compliance with prescription drug cost-sharing and rebate requirements shall not be in violation of the Uniform Trade Secrets Act; amend KRS 304.17C-125, 304.38A-115, 18A.225, and 164.2871 to apply the cost-sharing and rebate requirements for prescription drugs to limited health service benefit plans, limited health service organizations, the state employee health plan, and self-insured employer group health plans provided by the governing board of a state postsecondary education institution; apply provisions to health plans issued or renewed on or after January 1, 2026; and is effective January 1, 2026.

25 RS HB 413 would not materially increase or decrease retirement benefits or increase or decrease participation in benefits. 25 RS HB 413 would likely increase insurance premium costs for Kentucky Employees Health Plan (KEHP) but those increased costs would not be known until new policy premiums are announced by the Department of Employee Insurance. It might also be interpreted as applying to the Medicare Eligible Health Plan (MEHP) provided by TRS which would also increase costs. 25 RS HB 413 should not change the actuarial liability of the system.

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

1. There are approximately 140,000 members of TRS, of which approximately 58,000 are retirees.
2. There is no increase or decrease in benefits, or participation in benefit payments.
3. There would be an increase in employer costs if KEHP premiums increase, and even more so if this bill were interpreted to apply to the MEHP.
4. There is no estimated increase in administrative costs.

Please let me know if you have any questions regarding this analysis.

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