



# KENTUCKY PUBLIC PENSIONS AUTHORITY

Ryan Barrow, Executive Director

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February 18, 2025

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

RE: House Bill 423 (2025 RS BR 278)  
AN ACT relating to prior authorizations  
AA Statement Required by KRS 6.350  
**AA Statement 1 of 3.**

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 new healthcare regulations and prior authorization exemptions requiring external review increases insurance premiums for 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 dark 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

**RE: HB 423 (BR 278) - AN ACT relating to prior authorization.  
AA Statement 2 of 3.**

Dear Mrs. Allen:

**HB 423 (BR 278)** creates new sections of KRS 304.17A-600 to 304.17A-633 to define terms; prohibit insurers of health benefit plans from requiring prior authorization for a health care service for which the provider has an exemption; require insurers of health benefit plans to establish a program under which participating providers may qualify for exemptions from prior authorization; establish mandatory and permitted provisions of an insurer's prior authorization exemption program; establish requirements for sending forms and notices; require the commissioner of the Department of Insurance to submit an annual report relating to prior authorization, provide a detailed briefing upon request, and promulgate administrative regulations; amend KRS 304.17A-605 to conform; amend KRS 304.17A-611 to prohibit conducting a retrospective review that is based solely on a participating provider having a prior authorization exemption; provide that certain utilization review timeframes do not apply to retrospective reviews conducted for the purposes of determining eligibility for a prior authorization exemption; create a new section of KRS Chapter 205 to require the commissioner of the Department for Medicaid Services to submit an annual report relating to prior authorization, provide a detailed briefing upon request, and promulgate administrative regulations; apply the provisions to contracts delivered, entered, renewed, extended, or amended on or after January 1, 2027; EFFECTIVE, in part, January 1, 2026, and January 1, 2027.

Staff of the Judicial Form Retirement System (JFRS) has reviewed **HB 423 (BR 278)** 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 new health care regulations and exemptions to prior authorization 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.

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We have not requested any further actuarial analysis of **HB 423 (BR 278)** 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