



KENTUCKY PUBLIC PENSIONS AUTHORITY

Ryan Barrow, Executive Director

1260 Louisville Road • Frankfort, Kentucky 40601
kyret.ky.gov • Phone: 502-696-8800 • Fax: 502-696-8822



February 24, 2025

AA Statement 1 of 3.

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) – GA Version
AN ACT relating to prior authorization
AA Statement Required by KRS 6.350

Dear Ms. Allen:

Kentucky Public Pensions Authority (KPPA) had previously provided an Actuarial Analysis for House Bill 423 (2025 RS BR 278) – HCS 1 Version via letter dated February 24, 2025. KPPA has now examined the GA Version of House Bill 423 (2025 RS BR 278).

We have determined that the GA Version of House Bill 423 (2025 RS BR 278) would not impact the previous actuarial analysis provided for this legislation. Therefore, the Actuarial Analysis of House Bill 423 (2025 RS BR 278) – HCS 1 Version dated February 24, 2025, is applicable to House Bill 423 (2025 RS BR 278) GA Version.

We have not requested any further actuarial analysis of House Bill 423 (2025 RS BR 278) – GA Version by the Authority's independent actuary. Please let me know if you have any questions regarding our analysis of House Bill 423 (2025 RS BR 278) – GA Version.

Sincerely,

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

Ryan Barrow, Executive Director
Kentucky Public Pensions Authority



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February 24, 2025

AA Statement 1 of 3.

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) – HCS 1 Version
AN ACT relating to prior authorization
AA Statement Required by KRS 6.350

Dear Ms. Allen:

The Kentucky Public Pensions Authority (KPPA) had previously provided an Actuarial Analysis of House Bill 423 (2025 RS BR 278) via letter dated February 18, 2025. KPPA has now examined the HCS 1 Version of House Bill 423 (2025 RS BR 278).

We have determined that the HCS 1 Version of House Bill 423 (2025 RS BR 278) would not change the previous actuarial impact provided for this legislation. Therefore, the Actuarial Analysis of House Bill 423 (2025 RS BR 278) dated February 18, 2025, is applicable to HCS 1 Version of House Bill 423 (2025 RS BR 278).

We have not requested any further actuarial analysis of HCS 1 Version of House Bill 423 (2025 RS BR 278) by the Authority's independent actuary. Please let me know if you have any questions regarding our analysis of HCS 1 Version of House Bill 423 (2025 RS BR 278).

Sincerely,

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

Ryan Barrow, Executive Director
Kentucky Public Pensions Authority



KENTUCKY PUBLIC PENSIONS AUTHORITY

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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

AA Statement 1 of 3.

RE: House Bill 423 (2025 RS BR 278)
AN ACT relating to prior authorizations
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 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

March 5, 2025

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

RE: HB 423 GA - AN ACT relating to prior authorization.

Dear Mrs. Allen:

Judicial Form Retirement System (JFRS) has examined the GA version of **HB 423**. After review, we do not believe this version will change the previous actuarial analysis provided by JFRS on February 28 2025 with regards the HB 423 (BR 278) – HCS 1.

As a result, we have not requested any further actuarial analysis of **HB 423 GA** by the Systems' independent actuary. Please let me know if you have any questions regarding our analysis.

Sincerely,

Bo Cracraft, Executive Director



JUDICIAL FORM RETIREMENT SYSTEM

JUDICIAL RETIREMENT PLAN | LEGISLATORS RETIREMENT PLAN

Daniel Venters, Chairman
Board of Trustees

Bo Cracraft
Executive Director

February 28, 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 423 HCS 1 - AN ACT relating to prior authorization.

Dear Mrs. Allen:

Judicial Form Retirement System (JFRS) has examined the HCS 1 version of **HB 423**. After review, we do not believe this version will change the previous actuarial analysis provided by JFRS on February 18, 2025 with regards the HB 423 (BR 278).

As a result, we have not requested any further actuarial analysis of **HB 423 HCS 1** by the Systems' independent actuary. Please let me know if you have any questions regarding our analysis.

Sincerely,

Bo Cracraft, Executive Director



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 423 (BR 278) - AN ACT relating to prior authorization.

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.

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



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 4, 2025

AA Statement 3 of 3.

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

RE: House Bill 423 GA (2025 RS BR 278)

Dear Ms. Allen:

25 RS HB 423 GA, an act relating to prior authorization, would create 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.

25 RS HB 423 GA would not materially increase or decrease retirement benefits or increase or decrease participation in benefits. 25 RS HB 423 GA should not change the actuarial liability of the system as the system. The bill would mandate additional insurance coverage which would likely increase somewhat the insurance premiums for plans available from TRS.

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 benefits.
3. There is no estimated increase in employer cost.
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