



# KENTUCKY PUBLIC PENSIONS AUTHORITY

Ryan Barrow, Executive Director

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Kentucky Public  
Pensions Authority

February 19, 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 539 (2025 RS BR 1358)  
AN ACT relating to coverage for substance use disorders  
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,

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 25, 2025

AA Statement 2 of 3.

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

**RE: HB 539 (BR 1358) - AN ACT relating to coverage for substance use disorder.**

Dear Mrs. Allen:

**HB 539 (BR 1358)** creates a new section of Subtitle 17A of KRS Chapter 304 to define terms; require certain health plans to provide coverage for comprehensive supervised substance use disorder treatment; amend KRS 304.17C-125, 18A.225, and 164.2871 to require limited health services benefit plans, the state employee health plan, and self-insured employer group plans provided by the governing board of a state postsecondary education institution to comply with the coverage requirement; provide that Section 1 of the Act may be cited as Braxton's Law; provide that various sections apply 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 539 (BR 1358)** 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, which mandate additional insurance coverage, would likely result in an increase to premiums for policies provided through JFRS, however the direct cost to LRP or JRP 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 additional insurance coverage outlined in the legislation did result in increased 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 539 (BR 1358)** by the Systems' independent actuary. Please let me know if you have any questions regarding this analysis.

Sincerely,

Bo Cracraft, Executive Director

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