

**Local Government Mandate Statement
Kentucky Legislative Research Commission
2025 Regular Session**

Part I: Measure Information

| | | | |
|------------------------|--|-----------------|--------------------|
| Bill Request #: | BR 82 | Bill #: | SB 93 GA |
| Document ID #: | 6306 | Sponsor: | Senator Karen Berg |
| Bill Title: | An Act relating to coverage for hearing loss | | |

Unit of Government: City County Urban-County
 Charter County Consolidated Local Unified Local

Office(s) Impacted: Offices offering health plans

Requirement: Mandatory Optional

Effect on Powers & Duties: Modifies Existing Adds New Eliminates Existing

Other Fiscal Statement(s) that may exist: Actuarial Analysis Corrections Impact
 Health Benefit Mandate State Employee Health Plan

Part II: Bill Provisions and the Estimated Fiscal Impact Relating to Local Government

SB 93 GA **Section 1** would amend KRS 304.17A-132 to require that all health benefit plans cover hearing aids and related services for children with documented hearing loss, and would eliminate cost sharing requirements for hearing aids and related services. Coverage would include one hearing aid per hard-of-hearing ear regardless of degree of hearing loss, at not less than the cost of a reasonable and customary hearing aid and at a minimum of \$2500 per hearing aid. The commissioner of the Department of Insurance (DOI) would be required to annually review the minimum coverage amount, determine whether an adjustment in the minimum coverage amount is necessary to comply with the coverage requirements of the Act, and adjust the minimum amount if necessary.

Section 1 of the Act would require that health benefit plans that utilize a network to provide hearing aids and services ensure that the network is reasonably adequate and accessible for providing hearing aids and services required by the Act. A “reasonably adequate and accessible” network would, at a minimum, offer an adequate number of accessible pediatric audiologists.

SB 93 GA Section 2 would amend KRS 304.17A-131, which currently requires health benefit plans to cover, with no mention of cost sharing, cochlear implants for those with profound hearing impairment, to require all health benefit plans cover cochlear implants without cost sharing. The coverage would be not less than that for cochlear implants under Medicare coverage for Medicare recipients, and the cost of reasonable and customary implants. The DOI commissioner would be required to establish a minimum coverage amount per cochlear implant, annually review that amount, and adjust the minimum amount if necessary.

Sections 3 and 4 would amend KRS Chapter 205 (effective January 1, 2025) to require Medicaid and the Kentucky Children’s Health Insurance Program (KCHIP) comply with the coverage requirements of the Act.

SB 93 GA **Section 6** would amend KRS 18A.225 to apply the requirements of the Act to the Kentucky Employee Health Plan (KEHP).

If application of any provisions of the Act would cause a health benefit plan to fail to qualify as a Health Savings Account-qualified High Deductible Health Plan then those provisions would not apply to that health benefit plan until the federally-required minimum deductible is satisfied. If application of any provisions would negatively impact funds received from federal agencies, then the Department of Insurance or the Cabinet for Health and Family Services, as applicable, would be required to seek a waiver or authorization from the relevant federal agency.

Sections 1, 2,5, and 6 of the Act would apply to health benefit plans issued or renewed on or after January 1, 2026.

Sections 1 to 7 of the Act would take effect January 1, 2026.

The fiscal impact on local governments of SB 93 GA ranges from minimal to moderate-significantly negative but is difficult to quantify given differing input from the Kentucky Employee Health Plan (KEHP), the Department of Insurance, and local government sources. The Fiscal Impact Report – BR 82/SB 93 GA, dated March 7, 2025 assessing the impact of SB 93 GA on premiums and prepared at the request of the Department of Insurance, reports the unit cost of hearing aids at \$1400 - \$3500, and the unit cost of a cochlear implant at \$30,000- \$60,000. The Report estimates the impact on insurance premiums in the Kentucky market from the requirements of the Act to increase premiums at a range of \$.07 - \$.86 per member per month. Those local governments that purchase health insurance for their employees on the insurance market would see a minimal increase in premiums.

The Kentucky Department of Employee Insurance estimates SB 93 GA would increase premiums for participants in the KEHP up to \$12.69 per planholder/employee per year, an increase of more than \$8.00 per planholder/employee over the Act as introduced. Since the KEHP trust is funded by employee and employer premium contributions, this increase would necessitate an increase in premium amounts paid by local governments that

participate in the KEHP. This would represent a moderate to significant negative fiscal impact on the 157 county and city governmental organizations that participated in KEHP as of 2024, as estimated by the Kentucky League of Cities (KLC).

The KLC and the Kentucky Association of Counties (KACO) both estimate SB 93 GA would have a minimal fiscal impact on local governments that do not participate in KEHP because most health benefit plans presently provide coverage of hearing aids and cochlear implants for people under 18 years. The fiscal impact of the GA version of SB 93 should be less than the fiscal impact of the bill as introduced, due to the GA eliminating the coverage requirement for hearing aids and related services for adults. Those local governments that do not participate in KEHP either self-insure, or purchase a health insurance plan sponsored by KLC or KACO.

Data Source(s): Kentucky League of Cities; Kentucky Association of Counties; Department of Employees Insurance; Fiscal Impact Report – BR 82/SB 93, dated March 7, 2025.

Preparer: MS **Reviewer:** HT (MDA) **Date:** 3/11/25