

**Local Government Mandate Statement  
Kentucky Legislative Research Commission  
2026 Regular Session**

**Part I: Measure Information**

<b>Bill Request #:</b>	1263	<b>Bill #:</b>	SB 97/GA
<b>Document ID #:</b>	8385	<b>Sponsor:</b>	Sen. Rick Girdler
<b>Bill Title:</b>	AN ACT relating to coverage for prostheses and orthoses.		

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

Office(s) Impacted:    Local Governments providing health insurance

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**

Section 1 of the bill creates a new mandate under Subtitle 17A of KRS Chapter 304 requiring all health benefit plans, including student health insurance, to provide coverage for prostheses and orthoses. This coverage must be at least equivalent to Medicare standards and include any prosthesis or orthosis prescribed by a healthcare provider and deemed appropriate by a licensed prosthetist or orthotist. It also covers three prostheses and orthoses per affected limb within a three-year period if medically necessary, associated materials, instruction, repairs, and replacements under specified conditions.

Cost-sharing cannot be more restrictive than that for inpatient physician and surgical services, and the coverage is considered an essential health benefit. Insurers must ensure nondiscriminatory utilization review, provide clear denial letters when coverage is denied, maintain adequate provider networks, and submit annual reports on claims related to this coverage. If applying this mandate to a Qualified Health Plan (QHP) triggers state payment to defray costs under 42 U.S.C. § 18031(d)(3) and 45 C.F.R. § 155.170, the requirement does not apply to the QHP until defrayal is no longer required.

Section 3, which governs the state-sponsored health insurance program for public employees under KRS 18A.225, is directly impacted by this mandate. It now requires that any fully insured or self-insured health plan for public employees comply with Section 1, meaning these plans must include the same prosthetic and orthotic coverage. This requirement is added alongside other statutory mandates, making prosthetic and orthotic coverage a non-negotiable benefit for public employee health plans. As a result, the Personnel Cabinet and insurers bidding to provide coverage for state employees must incorporate these benefits into their plan designs, ensuring uniform application across all public employee plans.

**The fiscal impact of SB 97/GA on local government is indeterminable but likely negative.** The fiscal impact is unchanged from the bill as introduced. If a local government participates in the state-sponsored health insurance program or offers its own benefit plans, it will need to comply with the new coverage requirements which could potentially increase premiums and administrative costs.

**Data Source(s):** LRC Staff

**Preparer:** HT      **Reviewer:** BW (MDA)      **Date:** 3/13/26