

1 AN ACT relating to behavioral health services.

2 *Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

3 ➔SECTION 1. A NEW SECTION OF KRS CHAPTER 210 IS CREATED TO
4 READ AS FOLLOWS:

5 (1) As used in Sections 1 to 3 of this Act:

6 (a) "Behavioral health emergency services" means a continuum of services to
7 address crisis intervention, crisis stabilization, and crisis residential
8 treatment needs of those experiencing a mental health or substance use
9 disorder emergency or those experiencing a suicidal crisis, including but
10 not limited to crisis intervention, mobile crisis response teams, and crisis
11 receiving and stabilization services;

12 (b) "Crisis receiving and stabilization services" means short-term services,
13 provided in a person's home or in a home-like facility, with capacity for
14 diagnosis, initial management, observation, treatment interventions, and
15 follow-up referral services;

16 (c) "Mental health professional":

17 1. Has the same meaning as in KRS 645.020; and

18 2. Includes any additional licensed or certified professionals as
19 determined by the cabinet by an administrative regulation
20 promulgated in accordance with KRS Chapter 13A;

21 (d) "Mobile crisis response team" means a multidisciplinary behavioral health
22 team established under this section;

23 (e) "Program" means the Kentucky Youth Mobile Crisis Response Program
24 established by this section;

25 (f) "SAMHSA" means the Substance Abuse and Mental Health Services
26 Administration; and

27 (g) "Youth" means any person twenty-two (22) years old or younger.

1 (2) The Kentucky Youth Mobile Crisis Response Program is hereby established to be
2 administered by the cabinet. As part of the program, the cabinet shall collaborate
3 with regional community services programs to create mobile crisis response
4 teams that shall be dispatched through the 9-8-8 national suicide and crisis
5 hotline to provide behavioral health emergency services for youth experiencing
6 substance use, mental health, or suicidal crisis.

7 (3) Mobile crisis response teams shall:

8 (a) Include a mental health professional and a qualified crisis responder, as
9 defined by the cabinet; and

10 (b) Provide services regardless of a youth's age, ability to pay, location, or level
11 of clinical services needed.

12 (4) The cabinet shall:

13 (a) Develop protocols for mobile crisis response teams that follow national
14 guidelines established by SAMHSA, including but not limited to:

15 1. Avoiding out-of-home placements when possible;

16 2. Providing developmentally appropriate services that are tailored to the
17 needs of youth;

18 3. Providing culturally and linguistically appropriate, equity-driven
19 services; and

20 4. Minimizing or eliminating involvement of the juvenile justice system
21 or law enforcement; and

22 (b) Create a credentialing process and criteria for qualified crisis responders
23 who are not otherwise licensed or credentialed as mental health
24 professionals.

25 (5) The cabinet shall submit an annual report on the program to the Legislative
26 Research Commission for referral to the Interim Joint Committees on Health
27 Services and Families and Children by December 1, 2025, and each December 1

1 thereafter, including:

2 (a) A geographical breakdown of dispatches;

3 (b) Demographics of youth served; and

4 (c) Recommendations for improving the program.

5 (6) The cabinet shall promulgate administrative regulations in accordance with KRS
6 Chapter 13A to implement Sections 1 to 3 of this Act.

7 ➔SECTION 2. A NEW SECTION OF KRS CHAPTER 210 IS CREATED TO
8 READ AS FOLLOWS:

9 (1) There is hereby created the Youth Behavioral Health Crisis Advisory Board
10 consisting of fourteen (14) members as follows:

11 (a) The secretary of the cabinet or designee;

12 (b) The commissioner of the Department for Behavioral Health, Developmental
13 and Intellectual Disabilities or designee;

14 (c) The commissioner of the Department of Juvenile Justice or designee;

15 (d) The commissioner of the Department of Education or designee;

16 (e) The state suicide prevention coordinator of the Department for Behavioral
17 Health, Developmental and Intellectual Disabilities;

18 (f) The president of the Kentucky Children's Hospital or designee;

19 (g) One (1) elected city official of a city government appointed by the Kentucky
20 League of Cities;

21 (h) One (1) elected county official of a county government appointed by the
22 Kentucky Association of Counties;

23 (i) Three (3) parents of children with behavioral health challenges, including
24 individuals who represent historically marginalized communities, appointed
25 by the Governor from a list of:

26 1. Three (3) names provided by the Department for Behavioral Health,
27 Developmental and Intellectual Disabilities; and

1 2. Three (3) names provided by the Department of Juvenile Justice; and
2 (j) Three (3) individuals, aged eighteen (18) to twenty-six (26) years old, who
3 have experienced behavioral health challenges, appointed by the Governor
4 from a list of three (3) names provided by the Department for Behavioral
5 Health, Developmental and Intellectual Disabilities and three (3) names
6 provided by the Department of Juvenile Justice.

7 (2) The board shall review data, assess community needs and experience of care, and
8 make recommendations to the General Assembly and to the cabinet regarding
9 gaps, needs, strengths of the program, ensuring equity and inclusion, and areas
10 for potential improvement.

11 (3) (a) Members appointed under subsection (1)(g) to (j) of this section shall serve
12 for a term of four (4) years and until their successors are appointed and
13 qualified.

14 (b) Members appointed under subsection (1)(g) or (h) of this section are only
15 eligible to serve as long as the appointee holds the applicable local office or
16 position he or she held at the time of his or her appointment.

17 (c) Any vacancy on the board shall be filled in the same manner as the original
18 appointment and shall be for the remainder of the unexpired term.

19 (4) A member of the board shall not be considered to be a public officer by reason of
20 membership on the board.

21 (5) (a) The secretary of the cabinet or designee shall serve as chair and preside
22 over meetings of the board, which shall be conducted at least four (4) times
23 each year. In the absence of the chair, the board may be chaired by any
24 other member of the board selected by the remaining members.

25 (b) The board shall:

26 1. Be subject to the Kentucky Open Meetings Act, KRS 61.805 to 61.850;

27 2. Establish a regular meeting schedule for each calendar year;

1 3. Hold at least two (2) meetings per calendar year in Kentucky
2 congressional districts other than the one in which Frankfort is
3 located; and

4 4. Rotate its traveling meeting locations among the congressional
5 districts before holding another traveling meeting in the same
6 congressional district.

7 (c) A majority of the members appointed to the board shall constitute a
8 quorum.

9 (6) The cabinet shall provide staff services, office space, and other resources
10 necessary to conduct the affairs of the board. The board shall be attached to the
11 cabinet for administrative purposes but shall operate as an independent entity
12 within state government.

13 (7) The board members shall serve without compensation but shall be reimbursed for
14 actual and necessary expenses incurred in connection with their official duties as
15 members of the board.

16 ➔SECTION 3. A NEW SECTION OF KRS CHAPTER 210 IS CREATED TO
17 READ AS FOLLOWS:

18 Behavioral health emergency services provided by a mobile crisis response team to a
19 youth shall be paid for by the cabinet if:

20 (1) The youth receiving the services is uninsured; or

21 (2) The services are not covered by the youth's health plan.

22 ➔SECTION 4. A NEW SECTION OF SUBTITLE 17A OF KRS CHAPTER 304
23 IS CREATED TO READ AS FOLLOWS:

24 (1) As used in this section:

25 (a) "Behavioral health emergency services";

26 (b) "Mobile crisis response team"; and

27 (c) "Youth";

1 have the same meaning as in Section 1 of this Act.

2 (2) (a) All health benefit plans that provide coverage for mental health or
 3 substance abuse shall provide coverage for behavioral health emergency
 4 services provided by a mobile crisis response team to a youth, both in-
 5 network and out-of-network, without prior authorization.

6 (b) For coverage required under this section, the insured's cost sharing for out-
 7 of-network services shall not exceed the amount of cost sharing that would
 8 be imposed for in-network services.

9 ➔ Section 5. KRS 205.522 is amended to read as follows:

10 (1) With respect to the administration and provision of Medicaid benefits pursuant to
 11 this chapter, the Department for Medicaid Services and any managed care
 12 organization contracted to provide Medicaid benefits pursuant to this chapter, and
 13 the state's medical assistance program shall be subject to, and comply with, the
 14 following, as applicable: ~~[provisions of]~~

15 (a) KRS 304.17A-163; ~~[,]~~

16 (b) KRS 304.17A-1631; ~~[,]~~

17 (c) KRS 304.17A-167; ~~[,]~~

18 (d) KRS 304.17A-235; ~~[,]~~

19 (e) KRS 304.17A-257; ~~[,]~~

20 (f) KRS 304.17A-259; ~~[,]~~

21 (g) KRS 304.17A-263; ~~[,]~~

22 (h) KRS 304.17A-515; ~~[,]~~

23 (i) KRS 304.17A-580; ~~[,]~~

24 (j) KRS 304.17A-600, 304.17A-603, and 304.17A-607; ~~[, and]~~

25 (k) KRS 304.17A-740 to 304.17A-743; and ~~[, as applicable]~~

26 (l) Section 4 of this Act.

27 (2) A managed care organization contracted to provide Medicaid benefits pursuant to

1 this chapter shall comply with the reporting requirements of KRS 304.17A-732.

2 ➔Section 6. KRS 205.6485 is amended to read as follows:

3 (1) *As used in this section, "KCHIP" means the Kentucky Children's Health*
4 *Insurance Program.*

5 (2) The Cabinet for Health and Family Services shall

6 (a) Prepare a state child health plan, *to be known as KCHIP,* meeting the
7 requirements of Title XXI of the Federal Social Security Act, for submission
8 to the Secretary of the United States Department of Health and Human
9 Services within such time as will permit the state to receive the maximum
10 amounts of federal matching funds available under Title XXI; ~~and~~. The
11 cabinet shall,

12 (b) By administrative regulation promulgated in accordance with KRS Chapter
13 13A, establish the following:

14 ~~1. (a)~~ The eligibility criteria for children covered by *KCHIP, which*
15 *shall include a provision that* ~~the Kentucky Children's Health Insurance~~
16 ~~Program. However,~~ no person eligible for services under Title XIX of
17 the Social Security Act, 42 U.S.C. *secs.* 1396 to 1396v, as amended,
18 shall be eligible for services under *KCHIP* ~~the Kentucky Children's~~
19 ~~Health Insurance Program~~ except to the extent that Title XIX coverage
20 is expanded by KRS 205.6481 to 205.6495 and KRS 304.17A-340;

21 ~~2. (b)~~ The schedule of benefits to be covered by *KCHIP* ~~the Kentucky~~
22 ~~Children's Health Insurance Program,~~ which shall: ~~include preventive~~
23 ~~services, vision services including glasses, and dental services including~~
24 ~~at least sealants, extractions, and fillings, and which shall~~

25 *a.* Be at least equivalent to one (1) of the following:

26 ~~i. (1)~~ The standard Blue Cross/Blue Shield preferred provider
27 option under the Federal Employees Health Benefit Plan

1 established by U.S.C. sec. 8903(1);

2 ii.~~[2.]~~ A mid-range health benefit coverage plan that is offered and
3 generally available to state employees; or

4 iii.~~[3.]~~ Health insurance coverage offered by a health
5 maintenance organization that has the largest insured
6 commercial, non-Medicaid enrollment of covered lives in the
7 state; and

8 **b. Comply with subsection (6) of this section;**

9 3.~~[c.]~~ The premium contribution per family of health insurance coverage
10 available under **KCHIP, which**~~[the Kentucky Children's Health~~
11 ~~Insurance Program with provisions for the payment of premium~~
12 ~~contributions by families of children eligible for coverage by the~~
13 ~~program based upon a sliding scale relating to family income. Premium~~
14 ~~contributions]~~ shall be based:

15 **a.** On a six (6) month period; and

16 **b. Upon a sliding scare relating to family income** not to exceed:

17 i.~~[1.]~~ Ten dollars (\$10), to be paid by a family with income
18 between one hundred percent (100%) to one hundred thirty-
19 three percent (133%) of the federal poverty level;

20 ii.~~[2.]~~ Twenty dollars (\$20), to be paid by a family with income
21 between one hundred thirty-four percent (134%) to one
22 hundred forty-nine percent (149%) of the federal poverty
23 level; and

24 iii.~~[3.]~~ One hundred twenty dollars (\$120), to be paid by a
25 family with income between one hundred fifty percent
26 (150%) to two hundred percent (200%) of the federal
27 poverty level, and which may be made on a partial payment

1 plan of twenty dollars (\$20) per month or sixty dollars (\$60)
2 per quarter;

3 ~~4.(d)~~ There shall be no copayments for services provided under
4 KCHIP~~[the Kentucky Children's Health Insurance Program]~~; and

5 ~~5.(e)~~ a. The criteria for health services providers and insurers
6 wishing to contract with the Commonwealth to provide~~[the~~
7 ~~children's health insurance]~~ coverage under KCHIP.

8 b. ~~[However,]~~ The cabinet shall provide, in any contracting process
9 for coverage of~~[the]~~ preventive services~~[health insurance~~
10 ~~program]~~, the opportunity for a public health department to bid on
11 preventive health services to eligible children within the public
12 health department's service area. A public health department shall
13 not be disqualified from bidding because the department does not
14 currently offer all the services required by this
15 subsection~~[paragraph (b) of this subsection]~~. The criteria shall be
16 set forth in administrative regulations pursuant to~~[under]~~ KRS
17 Chapter 13A and shall maximize competition among the providers
18 and insurers. The ~~[Cabinet for]~~ Finance and Administration
19 Cabinet shall provide oversight over contracting policies and
20 procedures to assure that the number of applicants for contracts is
21 maximized.

22 ~~(3)(2)~~ Within twelve (12) months of federal approval of the state's Title XXI child
23 health plan, the Cabinet for Health and Family Services shall assure that a KCHIP
24 program is available to all eligible children in all regions of the state. If necessary,
25 in order to meet this assurance, the cabinet shall institute its own program.

26 ~~(4)(3)~~ KCHIP recipients shall have direct access without a referral from any
27 gatekeeper primary care provider to dentists for covered primary dental services

1 and to optometrists and ophthalmologists for covered primary eye and vision
2 services.

3 ~~(5)[(4)]~~ **KCHIP**~~[The Kentucky Children's Health Insurance Plan]~~ shall comply with
4 KRS 304.17A-163 and 304.17A-1631.

5 **(6) The schedule of benefits required under subsection (2)(b)2. of this section shall**
6 **include:**

7 **(a) Preventive services;**

8 **(b) Vision services, including glasses;**

9 **(c) Dental services, including sealants, extractions, and fillings; and**

10 **(d) Coverage required under Section 4 of this Act.**

11 ➔Section 7. KRS 164.2871 (Effective January 1, 2025) is amended to read as
12 follows:

13 (1) The governing board of each state postsecondary educational institution is
14 authorized to purchase liability insurance for the protection of the individual
15 members of the governing board, faculty, and staff of such institutions from liability
16 for acts and omissions committed in the course and scope of the individual's
17 employment or service. Each institution may purchase the type and amount of
18 liability coverage deemed to best serve the interest of such institution.

19 (2) All retirement annuity allowances accrued or accruing to any employee of a state
20 postsecondary educational institution through a retirement program sponsored by
21 the state postsecondary educational institution are hereby exempt from any state,
22 county, or municipal tax, and shall not be subject to execution, attachment,
23 garnishment, or any other process whatsoever, nor shall any assignment thereof be
24 enforceable in any court. Except retirement benefits accrued or accruing to any
25 employee of a state postsecondary educational institution through a retirement
26 program sponsored by the state postsecondary educational institution on or after
27 January 1, 1998, shall be subject to the tax imposed by KRS 141.020, to the extent

1 provided in KRS 141.010 and 141.0215.

2 (3) Except as provided in KRS Chapter 44, the purchase of liability insurance for
3 members of governing boards, faculty and staff of institutions of higher education
4 in this state shall not be construed to be a waiver of sovereign immunity or any
5 other immunity or privilege.

6 (4) The governing board of each state postsecondary education institution is authorized
7 to provide a self-insured employer group health plan to its employees, which plan
8 shall:

9 (a) Conform to the requirements of Subtitle 32 of KRS Chapter 304; and

10 (b) Except as provided in subsection (5) of this section, be exempt from
11 conformity with Subtitle 17A of KRS Chapter 304.

12 (5) A self-insured employer group health plan provided by the governing board of a
13 state postsecondary education institution to its employees shall comply with:

14 (a) KRS 304.17A-163 and 304.17A-1631;

15 (b) KRS 304.17A-265;

16 (c) KRS 304.17A-261;~~and~~

17 (d) KRS 304.17A-262; and

18 (e) Section 4 of this Act.

19 ➔Section 8. KRS 18A.225 (Effective January 1, 2025) is amended to read as
20 follows:

21 (1) (a) The term "employee" for purposes of this section means:

22 1. Any person, including an elected public official, who is regularly
23 employed by any department, office, board, agency, or branch of state
24 government; or by a public postsecondary educational institution; or by
25 any city, urban-county, charter county, county, or consolidated local
26 government, whose legislative body has opted to participate in the state-
27 sponsored health insurance program pursuant to KRS 79.080; and who

- 1 is either a contributing member to any one (1) of the retirement systems
2 administered by the state, including but not limited to the Kentucky
3 Retirement Systems, County Employees Retirement System, Kentucky
4 Teachers' Retirement System, the Legislators' Retirement Plan, or the
5 Judicial Retirement Plan; or is receiving a contractual contribution from
6 the state toward a retirement plan; or, in the case of a public
7 postsecondary education institution, is an individual participating in an
8 optional retirement plan authorized by KRS 161.567; or is eligible to
9 participate in a retirement plan established by an employer who ceases
10 participating in the Kentucky Employees Retirement System pursuant to
11 KRS 61.522 whose employees participated in the health insurance plans
12 administered by the Personnel Cabinet prior to the employer's effective
13 cessation date in the Kentucky Employees Retirement System;
- 14 2. Any certified or classified employee of a local board of education or a
15 public charter school as defined in KRS 160.1590;
- 16 3. Any elected member of a local board of education;
- 17 4. Any person who is a present or future recipient of a retirement
18 allowance from the Kentucky Retirement Systems, County Employees
19 Retirement System, Kentucky Teachers' Retirement System, the
20 Legislators' Retirement Plan, the Judicial Retirement Plan, or the
21 Kentucky Community and Technical College System's optional
22 retirement plan authorized by KRS 161.567, except that a person who is
23 receiving a retirement allowance and who is age sixty-five (65) or older
24 shall not be included, with the exception of persons covered under KRS
25 61.702(2)(b)3. and 78.5536(2)(b)3., unless he or she is actively
26 employed pursuant to subparagraph 1. of this paragraph; and
- 27 5. Any eligible dependents and beneficiaries of participating employees

1 and retirees who are entitled to participate in the state-sponsored health
2 insurance program;

3 (b) The term "health benefit plan" for the purposes of this section means a health
4 benefit plan as defined in KRS 304.17A-005;

5 (c) The term "insurer" for the purposes of this section means an insurer as defined
6 in KRS 304.17A-005; and

7 (d) The term "managed care plan" for the purposes of this section means a
8 managed care plan as defined in KRS 304.17A-500.

9 (2) (a) The secretary of the Finance and Administration Cabinet, upon the
10 recommendation of the secretary of the Personnel Cabinet, shall procure, in
11 compliance with the provisions of KRS 45A.080, 45A.085, and 45A.090,
12 from one (1) or more insurers authorized to do business in this state, a group
13 health benefit plan that may include but not be limited to health maintenance
14 organization (HMO), preferred provider organization (PPO), point of service
15 (POS), and exclusive provider organization (EPO) benefit plans
16 encompassing all or any class or classes of employees. With the exception of
17 employers governed by the provisions of KRS Chapters 16, 18A, and 151B,
18 all employers of any class of employees or former employees shall enter into
19 a contract with the Personnel Cabinet prior to including that group in the state
20 health insurance group. The contracts shall include but not be limited to
21 designating the entity responsible for filing any federal forms, adoption of
22 policies required for proper plan administration, acceptance of the contractual
23 provisions with health insurance carriers or third-party administrators, and
24 adoption of the payment and reimbursement methods necessary for efficient
25 administration of the health insurance program. Health insurance coverage
26 provided to state employees under this section shall, at a minimum, contain
27 the same benefits as provided under Kentucky Kare Standard as of January 1,

1 1994, and shall include a mail-order drug option as provided in subsection
2 (13) of this section. All employees and other persons for whom the health care
3 coverage is provided or made available shall annually be given an option to
4 elect health care coverage through a self-funded plan offered by the
5 Commonwealth or, if a self-funded plan is not available, from a list of
6 coverage options determined by the competitive bid process under the
7 provisions of KRS 45A.080, 45A.085, and 45A.090 and made available
8 during annual open enrollment.

9 (b) The policy or policies shall be approved by the commissioner of insurance
10 and may contain the provisions the commissioner of insurance approves,
11 whether or not otherwise permitted by the insurance laws.

12 (c) Any carrier bidding to offer health care coverage to employees shall agree to
13 provide coverage to all members of the state group, including active
14 employees and retirees and their eligible covered dependents and
15 beneficiaries, within the county or counties specified in its bid. Except as
16 provided in subsection (20) of this section, any carrier bidding to offer health
17 care coverage to employees shall also agree to rate all employees as a single
18 entity, except for those retirees whose former employers insure their active
19 employees outside the state-sponsored health insurance program and as
20 otherwise provided in KRS 61.702(2)(b)3.b. and 78.5536(2)(b)3.b.

21 (d) Any carrier bidding to offer health care coverage to employees shall agree to
22 provide enrollment, claims, and utilization data to the Commonwealth in a
23 format specified by the Personnel Cabinet with the understanding that the data
24 shall be owned by the Commonwealth; to provide data in an electronic form
25 and within a time frame specified by the Personnel Cabinet; and to be subject
26 to penalties for noncompliance with data reporting requirements as specified
27 by the Personnel Cabinet. The Personnel Cabinet shall take strict precautions

1 to protect the confidentiality of each individual employee; however,
2 confidentiality assertions shall not relieve a carrier from the requirement of
3 providing stipulated data to the Commonwealth.

4 (e) The Personnel Cabinet shall develop the necessary techniques and capabilities
5 for timely analysis of data received from carriers and, to the extent possible,
6 provide in the request-for-proposal specifics relating to data requirements,
7 electronic reporting, and penalties for noncompliance. The Commonwealth
8 shall own the enrollment, claims, and utilization data provided by each carrier
9 and shall develop methods to protect the confidentiality of the individual. The
10 Personnel Cabinet shall include in the October annual report submitted
11 pursuant to the provisions of KRS 18A.226 to the Governor, the General
12 Assembly, and the Chief Justice of the Supreme Court, an analysis of the
13 financial stability of the program, which shall include but not be limited to
14 loss ratios, methods of risk adjustment, measurements of carrier quality of
15 service, prescription coverage and cost management, and statutorily required
16 mandates. If state self-insurance was available as a carrier option, the report
17 also shall provide a detailed financial analysis of the self-insurance fund
18 including but not limited to loss ratios, reserves, and reinsurance agreements.

19 (f) If any agency participating in the state-sponsored employee health insurance
20 program for its active employees terminates participation and there is a state
21 appropriation for the employer's contribution for active employees' health
22 insurance coverage, then neither the agency nor the employees shall receive
23 the state-funded contribution after termination from the state-sponsored
24 employee health insurance program.

25 (g) Any funds in flexible spending accounts that remain after all reimbursements
26 have been processed shall be transferred to the credit of the state-sponsored
27 health insurance plan's appropriation account.

- 1 (h) Each entity participating in the state-sponsored health insurance program shall
2 provide an amount at least equal to the state contribution rate for the employer
3 portion of the health insurance premium. For any participating entity that used
4 the state payroll system, the employer contribution amount shall be equal to
5 but not greater than the state contribution rate.
- 6 (3) The premiums may be paid by the policyholder:
- 7 (a) Wholly from funds contributed by the employee, by payroll deduction or
8 otherwise;
- 9 (b) Wholly from funds contributed by any department, board, agency, public
10 postsecondary education institution, or branch of state, city, urban-county,
11 charter county, county, or consolidated local government; or
- 12 (c) Partly from each, except that any premium due for health care coverage or
13 dental coverage, if any, in excess of the premium amount contributed by any
14 department, board, agency, postsecondary education institution, or branch of
15 state, city, urban-county, charter county, county, or consolidated local
16 government for any other health care coverage shall be paid by the employee.
- 17 (4) If an employee moves his or her place of residence or employment out of the
18 service area of an insurer offering a managed health care plan, under which he or
19 she has elected coverage, into either the service area of another managed health care
20 plan or into an area of the Commonwealth not within a managed health care plan
21 service area, the employee shall be given an option, at the time of the move or
22 transfer, to change his or her coverage to another health benefit plan.
- 23 (5) No payment of premium by any department, board, agency, public postsecondary
24 educational institution, or branch of state, city, urban-county, charter county,
25 county, or consolidated local government shall constitute compensation to an
26 insured employee for the purposes of any statute fixing or limiting the
27 compensation of such an employee. Any premium or other expense incurred by any

1 department, board, agency, public postsecondary educational institution, or branch
2 of state, city, urban-county, charter county, county, or consolidated local
3 government shall be considered a proper cost of administration.

4 (6) The policy or policies may contain the provisions with respect to the class or classes
5 of employees covered, amounts of insurance or coverage for designated classes or
6 groups of employees, policy options, terms of eligibility, and continuation of
7 insurance or coverage after retirement.

8 (7) Group rates under this section shall be made available to the disabled child of an
9 employee regardless of the child's age if the entire premium for the disabled child's
10 coverage is paid by the state employee. A child shall be considered disabled if he or
11 she has been determined to be eligible for federal Social Security disability benefits.

12 (8) The health care contract or contracts for employees shall be entered into for a
13 period of not less than one (1) year.

14 (9) The secretary shall appoint thirty-two (32) persons to an Advisory Committee of
15 State Health Insurance Subscribers to advise the secretary or the secretary's
16 designee regarding the state-sponsored health insurance program for employees.
17 The secretary shall appoint, from a list of names submitted by appointing
18 authorities, members representing school districts from each of the seven (7)
19 Supreme Court districts, members representing state government from each of the
20 seven (7) Supreme Court districts, two (2) members representing retirees under age
21 sixty-five (65), one (1) member representing local health departments, two (2)
22 members representing the Kentucky Teachers' Retirement System, and three (3)
23 members at large. The secretary shall also appoint two (2) members from a list of
24 five (5) names submitted by the Kentucky Education Association, two (2) members
25 from a list of five (5) names submitted by the largest state employee organization of
26 nonschool state employees, two (2) members from a list of five (5) names submitted
27 by the Kentucky Association of Counties, two (2) members from a list of five (5)

1 names submitted by the Kentucky League of Cities, and two (2) members from a
2 list of names consisting of five (5) names submitted by each state employee
3 organization that has two thousand (2,000) or more members on state payroll
4 deduction. The advisory committee shall be appointed in January of each year and
5 shall meet quarterly.

6 (10) Notwithstanding any other provision of law to the contrary, the policy or policies
7 provided to employees pursuant to this section shall not provide coverage for
8 obtaining or performing an abortion, nor shall any state funds be used for the
9 purpose of obtaining or performing an abortion on behalf of employees or their
10 dependents.

11 (11) Interruption of an established treatment regime with maintenance drugs shall be
12 grounds for an insured to appeal a formulary change through the established appeal
13 procedures approved by the Department of Insurance, if the physician supervising
14 the treatment certifies that the change is not in the best interests of the patient.

15 (12) Any employee who is eligible for and elects to participate in the state health
16 insurance program as a retiree, or the spouse or beneficiary of a retiree, under any
17 one (1) of the state-sponsored retirement systems shall not be eligible to receive the
18 state health insurance contribution toward health care coverage as a result of any
19 other employment for which there is a public employer contribution. This does not
20 preclude a retiree and an active employee spouse from using both contributions to
21 the extent needed for purchase of one (1) state sponsored health insurance policy
22 for that plan year.

23 (13) (a) The policies of health insurance coverage procured under subsection (2) of
24 this section shall include a mail-order drug option for maintenance drugs for
25 state employees. Maintenance drugs may be dispensed by mail order in
26 accordance with Kentucky law.

27 (b) A health insurer shall not discriminate against any retail pharmacy located

1 within the geographic coverage area of the health benefit plan and that meets
2 the terms and conditions for participation established by the insurer, including
3 price, dispensing fee, and copay requirements of a mail-order option. The
4 retail pharmacy shall not be required to dispense by mail.

5 (c) The mail-order option shall not permit the dispensing of a controlled
6 substance classified in Schedule II.

7 (14) The policy or policies provided to state employees or their dependents pursuant to
8 this section shall provide coverage for obtaining a hearing aid and acquiring hearing
9 aid-related services for insured individuals under eighteen (18) years of age, subject
10 to a cap of one thousand four hundred dollars (\$1,400) every thirty-six (36) months
11 pursuant to KRS 304.17A-132.

12 (15) Any policy provided to state employees or their dependents pursuant to this section
13 shall provide coverage for the diagnosis and treatment of autism spectrum disorders
14 consistent with KRS 304.17A-142.

15 (16) Any policy provided to state employees or their dependents pursuant to this section
16 shall provide coverage for obtaining amino acid-based elemental formula pursuant
17 to KRS 304.17A-258.

18 (17) If a state employee's residence and place of employment are in the same county,
19 and if the hospital located within that county does not offer surgical services,
20 intensive care services, obstetrical services, level II neonatal services, diagnostic
21 cardiac catheterization services, and magnetic resonance imaging services, the
22 employee may select a plan available in a contiguous county that does provide
23 those services, and the state contribution for the plan shall be the amount available
24 in the county where the plan selected is located.

25 (18) If a state employee's residence and place of employment are each located in
26 counties in which the hospitals do not offer surgical services, intensive care
27 services, obstetrical services, level II neonatal services, diagnostic cardiac

1 catheterization services, and magnetic resonance imaging services, the employee
2 may select a plan available in a county contiguous to the county of residence that
3 does provide those services, and the state contribution for the plan shall be the
4 amount available in the county where the plan selected is located.

5 (19) The Personnel Cabinet is encouraged to study whether it is fair and reasonable and
6 in the best interests of the state group to allow any carrier bidding to offer health
7 care coverage under this section to submit bids that may vary county by county or
8 by larger geographic areas.

9 (20) Notwithstanding any other provision of this section, the bid for proposals for health
10 insurance coverage for calendar year 2004 shall include a bid scenario that reflects
11 the statewide rating structure provided in calendar year 2003 and a bid scenario that
12 allows for a regional rating structure that allows carriers to submit bids that may
13 vary by region for a given product offering as described in this subsection:

14 (a) The regional rating bid scenario shall not include a request for bid on a
15 statewide option;

16 (b) The Personnel Cabinet shall divide the state into geographical regions which
17 shall be the same as the partnership regions designated by the Department for
18 Medicaid Services for purposes of the Kentucky Health Care Partnership
19 Program established pursuant to 907 KAR 1:705;

20 (c) The request for proposal shall require a carrier's bid to include every county
21 within the region or regions for which the bid is submitted and include but not
22 be restricted to a preferred provider organization (PPO) option;

23 (d) If the Personnel Cabinet accepts a carrier's bid, the cabinet shall award the
24 carrier all of the counties included in its bid within the region. If the Personnel
25 Cabinet deems the bids submitted in accordance with this subsection to be in
26 the best interests of state employees in a region, the cabinet may award the
27 contract for that region to no more than two (2) carriers; and

1 (e) Nothing in this subsection shall prohibit the Personnel Cabinet from including
2 other requirements or criteria in the request for proposal.

3 (21) Any fully insured health benefit plan or self-insured plan issued or renewed on or
4 after July 12, 2006, to public employees pursuant to this section which provides
5 coverage for services rendered by a physician or osteopath duly licensed under KRS
6 Chapter 311 that are within the scope of practice of an optometrist duly licensed
7 under the provisions of KRS Chapter 320 shall provide the same payment of
8 coverage to optometrists as allowed for those services rendered by physicians or
9 osteopaths.

10 (22) Any fully insured health benefit plan or self-insured plan issued or renewed to
11 public employees pursuant to this section shall comply with:

- 12 (a) KRS 304.12-237;
13 (b) KRS 304.17A-270 and 304.17A-525;
14 (c) KRS 304.17A-600 to 304.17A-633;
15 (d) KRS 205.593;
16 (e) KRS 304.17A-700 to 304.17A-730;
17 (f) KRS 304.14-135;
18 (g) KRS 304.17A-580 and 304.17A-641;
19 (h) KRS 304.99-123;
20 (i) KRS 304.17A-138;
21 (j) KRS 304.17A-148;
22 (k) KRS 304.17A-163 and 304.17A-1631;
23 (l) KRS 304.17A-265;
24 (m) KRS 304.17A-261;
25 (n) KRS 304.17A-262;

26 (o) Section 4 of this Act; and

27 (p)(e) Administrative regulations promulgated pursuant to statutes listed in this

1 subsection.

2 ➔Section 9. Sections 4, 7, and 8 of this Act apply to health benefit plans issued or
3 renewed on or after January 1, 2025.

4 ➔Section 10. If the Cabinet for Health and Family Services determines that a
5 state plan amendment, waiver, or any other form of approval or authorization from a
6 federal agency is necessary prior to the implementation of any provision of this Act, the
7 cabinet shall, within 90 days after the effective date of this section unless otherwise
8 specified in this Act, request the state plan amendment, waiver, approval, or authorization
9 and shall only delay full implementation of those provisions for which a state plan
10 amendment, waiver, approval, or authorization was deemed necessary until the state plan
11 amendment, waiver, approval, or authorization is granted. The cabinet shall, in
12 accordance with KRS 205.525, provide a copy of any state plan amendment, waiver, or
13 other approval or authorization submitted pursuant to this section to the Interim Joint
14 Committee on Health Services and the Interim Joint Committee on Appropriations and
15 Revenue and shall provide an update on the status of any application to the Legislative
16 Research Commission upon request.

17 ➔Section 11. Sections 4 to 9 of this Act take effect on January 1, 2025.