

1 AN ACT relating to coverage for the treatment of postpartum mood disorders.

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

3 ➔SECTION 1. A NEW SECTION OF SUBTITLE 17A OF KRS CHAPTER 304
4 IS CREATED TO READ AS FOLLOWS:

5 (1) As used in this section:

6 (a) "FDA" means the United States Food and Drug Administration; and

7 (b) "Health benefit plan" has the same meaning as in KRS 304.17A-005,
8 except that for purposes of this section, the term includes student health
9 insurance offered by a Kentucky-licensed insurer under written contract
10 with a university or college whose students it proposes to insure.

11 (2) Except as provided in subsections (3) or (4) of this section, a health benefit plan
12 shall provide coverage for all FDA-approved prescription drugs for the treatment
13 of postpartum mood disorders.

14 (3) (a) For the coverage required under this section, a health benefit plan shall
15 cover either:

16 1. The original FDA-approved prescription drug; or

17 2. At least one (1) therapeutic equivalent of the original FDA-approved
18 prescription drug if the FDA has designated a therapeutic equivalent
19 of the original FDA-approved prescription drug.

20 (b) The coverage required under this section shall include but not be limited to
21 any cost associated with the administration of the prescription drug,
22 including a stay in a health facility.

23 (4) Notwithstanding KRS 304.17A-099 and any other provision of this chapter, if the
24 application of any requirement of this section to a qualified health plan, as
25 defined in 42 U.S.C. sec. 18021(a)(1), as amended, results, or would result, in a
26 determination that the state must make payments to defray the cost of the
27 requirement under 42 U.S.C. sec. 18031(d)(3) and 45 C.F.R. sec. 155.170, as

1 amended, then the requirement shall not apply to the qualified health plan until
2 the requirement to make cost defrayal payments is no longer applicable.

3 ➔Section 2. KRS 205.522 is amended to read as follows:

4 (1) With respect to the administration and provision of Medicaid benefits pursuant to
5 this chapter, the Department for Medicaid Services, any managed care organization
6 contracted to provide Medicaid benefits pursuant to this chapter, and the state's
7 medical assistance program shall be subject to, and comply with, the following, as
8 applicable:

- 9 (a) KRS 304.17A-129;
10 (b) KRS 304.17A-145;
11 (c) KRS 304.17A-163;
12 (d) KRS 304.17A-1631;
13 (e) KRS 304.17A-167;
14 (f) KRS 304.17A-235;
15 (g) KRS 304.17A-257;
16 (h) KRS 304.17A-259;
17 (i) KRS 304.17A-263;
18 (j) KRS 304.17A-264;
19 (k) KRS 304.17A-515;
20 (l) KRS 304.17A-580;
21 (m) KRS 304.17A-600, 304.17A-603, and 304.17A-607;~~and~~
22 (n) KRS 304.17A-740 to 304.17A-743; and
23 (o) Section 1 of this Act.

24 (2) A managed care organization contracted to provide Medicaid benefits pursuant to
25 this chapter shall comply with the reporting requirements of KRS 304.17A-732.

26 ➔Section 3. KRS 205.6485 is amended to read as follows:

27 (1) As used in this section, "KCHIP" means the Kentucky Children's Health Insurance

1 Program.

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

3 (a) Prepare a state child health plan, known as KCHIP, meeting the requirements
4 of Title XXI of the Federal Social Security Act, for submission to the
5 Secretary of the United States Department of Health and Human Services
6 within such time as will permit the state to receive the maximum amounts of
7 federal matching funds available under Title XXI; and

8 (b) By administrative regulation promulgated in accordance with KRS Chapter
9 13A, establish the following:

10 1. The eligibility criteria for children covered by KCHIP, which shall
11 include a provision that no person eligible for services under Title XIX
12 of the Social Security Act, 42 U.S.C. secs. 1396 to 1396v, as amended,
13 shall be eligible for services under KCHIP, except to the extent that
14 Title XIX coverage is expanded by KRS 205.6481 to 205.6495 and KRS
15 304.17A-340;

16 2. The schedule of benefits to be covered by KCHIP, which shall:

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

18 i. The standard Blue Cross/Blue Shield preferred provider
19 option under the Federal Employees Health Benefit Plan
20 established by 5 U.S.C. sec. 8903(1);

21 ii. A mid-range health benefit coverage plan that is offered and
22 generally available to state employees; or

23 iii. Health insurance coverage offered by a health maintenance
24 organization that has the largest insured commercial, non-
25 Medicaid enrollment of covered lives in the state; and

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

27 3. The premium contribution per family for health insurance coverage

1 available under KCHIP, which shall be based:

- 2 a. On a six (6) month period; and
- 3 b. Upon a sliding scale relating to family income not to exceed:
- 4 i. Ten dollars (\$10), to be paid by a family with income
- 5 between one hundred percent (100%) to one hundred thirty-
- 6 three percent (133%) of the federal poverty level;
- 7 ii. Twenty dollars (\$20), to be paid by a family with income
- 8 between one hundred thirty-four percent (134%) to one
- 9 hundred forty-nine percent (149%) of the federal poverty
- 10 level; and
- 11 iii. One hundred twenty dollars (\$120), to be paid by a family
- 12 with income between one hundred fifty percent (150%) to
- 13 two hundred percent (200%) of the federal poverty level, and
- 14 which may be made on a partial payment plan of twenty
- 15 dollars (\$20) per month or sixty dollars (\$60) per quarter;
- 16 4. There shall be no copayments for services provided under KCHIP; and
- 17 5. a. The criteria for health services providers and insurers wishing to
- 18 contract with the Commonwealth to provide coverage under
- 19 KCHIP.
- 20 b. The cabinet shall provide, in any contracting process for coverage
- 21 of preventive services, the opportunity for a public health
- 22 department to bid on preventive health services to eligible children
- 23 within the public health department's service area. A public health
- 24 department shall not be disqualified from bidding because the
- 25 department does not currently offer all the services required by
- 26 this section. The criteria shall be set forth in administrative
- 27 regulations under KRS Chapter 13A and shall maximize

1 competition among the providers and insurers. The Finance and
2 Administration Cabinet shall provide oversight over contracting
3 policies and procedures to assure that the number of applicants for
4 contracts is maximized.

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

9 (4) KCHIP recipients shall have direct access without a referral from any gatekeeper
10 primary care provider to dentists for covered primary dental services and to
11 optometrists and ophthalmologists for covered primary eye and vision services.

12 (5) KCHIP shall comply with KRS 304.17A-163 and 304.17A-1631.

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

- 15 (a) Preventive services;
- 16 (b) Vision services, including glasses;
- 17 (c) Dental services, including sealants, extractions, and fillings; and
- 18 (d) The coverage required under:

19 1. KRS 304.17A-129; ~~and~~

20 2. **KRS** 304.17A-145; **and**

21 3. **Section 1 of this Act.**

22 ➔Section 4. KRS 18A.225 is amended to read as follows:

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

- 24 1. Any person, including an elected public official, who is regularly
25 employed by any department, office, board, agency, or branch of state
26 government; or by a public postsecondary educational institution; or by
27 any city, urban-county, charter county, county, or consolidated local

1 government, whose legislative body has opted to participate in the state-
2 sponsored health insurance program pursuant to KRS 79.080; and who
3 is either a contributing member to any one (1) of the retirement systems
4 administered by the state, including but not limited to the Kentucky
5 Retirement Systems, County Employees Retirement System, Kentucky
6 Teachers' Retirement System, the Legislators' Retirement Plan, or the
7 Judicial Retirement Plan; or is receiving a contractual contribution from
8 the state toward a retirement plan; or, in the case of a public
9 postsecondary education institution, is an individual participating in an
10 optional retirement plan authorized by KRS 161.567; or is eligible to
11 participate in a retirement plan established by an employer who ceases
12 participating in the Kentucky Employees Retirement System pursuant to
13 KRS 61.522 whose employees participated in the health insurance plans
14 administered by the Personnel Cabinet prior to the employer's effective
15 cessation date in the Kentucky Employees Retirement System;

- 16 2. Any certified or classified employee of a local board of education or a
17 public charter school as defined in KRS 160.1590;
18 3. Any elected member of a local board of education;
19 4. Any person who is a present or future recipient of a retirement
20 allowance from the Kentucky Retirement Systems, County Employees
21 Retirement System, Kentucky Teachers' Retirement System, the
22 Legislators' Retirement Plan, the Judicial Retirement Plan, or the
23 Kentucky Community and Technical College System's optional
24 retirement plan authorized by KRS 161.567, except that a person who is
25 receiving a retirement allowance and who is age sixty-five (65) or older
26 shall not be included, with the exception of persons covered under KRS
27 61.702(2)(b)3. and 78.5536(2)(b)3., unless he or she is actively

- 1 employed pursuant to subparagraph 1. of this paragraph; and
- 2 5. Any eligible dependents and beneficiaries of participating employees
- 3 and retirees who are entitled to participate in the state-sponsored health
- 4 insurance program;
- 5 (b) The term "health benefit plan" for the purposes of this section means a health
- 6 benefit plan as defined in KRS 304.17A-005;
- 7 (c) The term "insurer" for the purposes of this section means an insurer as defined
- 8 in KRS 304.17A-005; and
- 9 (d) The term "managed care plan" for the purposes of this section means a
- 10 managed care plan as defined in KRS 304.17A-500.
- 11 (2) (a) The secretary of the Finance and Administration Cabinet, upon the
- 12 recommendation of the secretary of the Personnel Cabinet, shall procure, in
- 13 compliance with the provisions of KRS 45A.080, 45A.085, and 45A.090,
- 14 from one (1) or more insurers authorized to do business in this state, a group
- 15 health benefit plan that may include but not be limited to health maintenance
- 16 organization (HMO), preferred provider organization (PPO), point of service
- 17 (POS), and exclusive provider organization (EPO) benefit plans
- 18 encompassing all or any class or classes of employees. With the exception of
- 19 employers governed by the provisions of KRS Chapters 16, 18A, and 151B,
- 20 all employers of any class of employees or former employees shall enter into
- 21 a contract with the Personnel Cabinet prior to including that group in the state
- 22 health insurance group. The contracts shall include but not be limited to
- 23 designating the entity responsible for filing any federal forms, adoption of
- 24 policies required for proper plan administration, acceptance of the contractual
- 25 provisions with health insurance carriers or third-party administrators, and
- 26 adoption of the payment and reimbursement methods necessary for efficient
- 27 administration of the health insurance program. Health insurance coverage

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

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

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

23 (d) Any carrier bidding to offer health care coverage to employees shall agree to
24 provide enrollment, claims, and utilization data to the Commonwealth in a
25 format specified by the Personnel Cabinet with the understanding that the data
26 shall be owned by the Commonwealth; to provide data in an electronic form
27 and within a time frame specified by the Personnel Cabinet; and to be subject

1 to penalties for noncompliance with data reporting requirements as specified
2 by the Personnel Cabinet. The Personnel Cabinet shall take strict precautions
3 to protect the confidentiality of each individual employee; however,
4 confidentiality assertions shall not relieve a carrier from the requirement of
5 providing stipulated data to the Commonwealth.

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

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

27 (g) Any funds in flexible spending accounts that remain after all reimbursements

1 have been processed shall be transferred to the credit of the state-sponsored
2 health insurance plan's appropriation account.

3 (h) Each entity participating in the state-sponsored health insurance program shall
4 provide an amount at least equal to the state contribution rate for the employer
5 portion of the health insurance premium. For any participating entity that used
6 the state payroll system, the employer contribution amount shall be equal to
7 but not greater than the state contribution rate.

8 (3) The premiums may be paid by the policyholder:

9 (a) Wholly from funds contributed by the employee, by payroll deduction or
10 otherwise;

11 (b) Wholly from funds contributed by any department, board, agency, public
12 postsecondary education institution, or branch of state, city, urban-county,
13 charter county, county, or consolidated local government; or

14 (c) Partly from each, except that any premium due for health care coverage or
15 dental coverage, if any, in excess of the premium amount contributed by any
16 department, board, agency, postsecondary education institution, or branch of
17 state, city, urban-county, charter county, county, or consolidated local
18 government for any other health care coverage shall be paid by the employee.

19 (4) If an employee moves his or her place of residence or employment out of the
20 service area of an insurer offering a managed health care plan, under which he or
21 she has elected coverage, into either the service area of another managed health care
22 plan or into an area of the Commonwealth not within a managed health care plan
23 service area, the employee shall be given an option, at the time of the move or
24 transfer, to change his or her coverage to another health benefit plan.

25 (5) No payment of premium by any department, board, agency, public postsecondary
26 educational institution, or branch of state, city, urban-county, charter county,
27 county, or consolidated local government shall constitute compensation to an

1 insured employee for the purposes of any statute fixing or limiting the
2 compensation of such an employee. Any premium or other expense incurred by any
3 department, board, agency, public postsecondary educational institution, or branch
4 of state, city, urban-county, charter county, county, or consolidated local
5 government shall be considered a proper cost of administration.

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

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

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

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

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

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

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

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

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

1 accordance with Kentucky law.

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

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

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

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

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

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

27 (18) If a state employee's residence and place of employment are each located in

1 counties in which the hospitals do not offer surgical services, intensive care
2 services, obstetrical services, level II neonatal services, diagnostic cardiac
3 catheterization services, and magnetic resonance imaging services, the employee
4 may select a plan available in a county contiguous to the county of residence that
5 does provide those services, and the state contribution for the plan shall be the
6 amount available in the county where the plan selected is located.

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

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

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

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

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

25 (d) If the Personnel Cabinet accepts a carrier's bid, the cabinet shall award the
26 carrier all of the counties included in its bid within the region. If the Personnel
27 Cabinet deems the bids submitted in accordance with this subsection to be in

1 the best interests of state employees in a region, the cabinet may award the
2 contract for that region to no more than two (2) carriers; and

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

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

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

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

1 (o) KRS 304.17A-145;

2 (p) KRS 304.17A-129;

3 (q) KRS 304.17A-133;

4 (r) KRS 304.17A-264;~~and~~

5 (s) **Section 1 of this Act; and**

6 **(t)** Administrative regulations promulgated pursuant to statutes listed in this
7 subsection.

8 (23) (a) Any fully insured health benefit plan or self-insured plan issued or renewed to
9 public employees pursuant to this section shall provide a special enrollment
10 period to pregnant women who are eligible for coverage in accordance with
11 the requirements set forth in KRS 304.17-182.

12 (b) The Department of Employee Insurance shall, at or before the time a public
13 employee is initially offered the opportunity to enroll in the plan or coverage,
14 provide the employee a notice of the special enrollment rights under this
15 subsection.

16 ➔Section 5. KRS 164.2871 is amended to read as follows:

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

23 (2) All retirement annuity allowances accrued or accruing to any employee of a state
24 postsecondary educational institution through a retirement program sponsored by
25 the state postsecondary educational institution are hereby exempt from any state,
26 county, or municipal tax, and shall not be subject to execution, attachment,
27 garnishment, or any other process whatsoever, nor shall any assignment thereof be

1 enforceable in any court. Except retirement benefits accrued or accruing to any
2 employee of a state postsecondary educational institution through a retirement
3 program sponsored by the state postsecondary educational institution on or after
4 January 1, 1998, shall be subject to the tax imposed by KRS 141.020, to the extent
5 provided in KRS 141.010 and 141.0215.

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

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

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

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

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

18 (a) KRS 304.17A-129;

19 (b) KRS 304.17A-133;

20 (c) KRS 304.17A-145;

21 (d) KRS 304.17A-163 and 304.17A-1631;

22 (e) KRS 304.17A-261;

23 (f) KRS 304.17A-262;

24 (g) KRS 304.17A-264;~~and~~

25 (h) KRS 304.17A-265;and

26 (i) Section 1 of this Act.

27 (6) (a) A self-insured employer group health plan provided by the governing board of

1 a state postsecondary education institution to its employees shall provide a
2 special enrollment period to pregnant women who are eligible for coverage in
3 accordance with the requirements set forth in KRS 304.17-182.

4 (b) The governing board of a state postsecondary education institution shall, at or
5 before the time an employee is initially offered the opportunity to enroll in the
6 plan or coverage, provide the employee a notice of the special enrollment
7 rights under this subsection.

8 ➔Section 6. Sections 1, 2, and 5 shall apply to health benefit plans issued or
9 renewed on or after January 1, 2026.

10 ➔Section 7. If the Department for Medicaid Services or the Cabinet for Health
11 and Family Services determines that a state plan amendment, waiver, or any other form
12 of authorization or approval from any federal agency is necessary prior to implementation
13 of Section 2 or 3 of this Act for any reason, including the loss of federal funds, the
14 department or cabinet shall, within 90 days after the effective date of this section, request
15 any necessary state plan amendment, waiver, authorization, or approval, and may only
16 delay full implementation of those provisions for which a state plan amendment, waiver,
17 authorization, or approval was deemed necessary until the state plan amendment, waiver,
18 authorization, or approval is granted or approved.

19 ➔Section 8. The Department for Medicaid Services or the Cabinet for Health and
20 Family Services shall, in accordance with KRS 205.525, provide a copy of any state plan
21 amendment, waiver application, or other request for authorization or approval submitted
22 pursuant to Section 7 of this Act to the Legislative Research Commission for referral to
23 the Interim Joint Committees on Health Services and Appropriations and Revenue and
24 shall provide an update on the status of any application or request submitted pursuant to
25 Section 7 of this Act at the request of the Legislative Research Commission or any
26 committee thereof.

27 ➔Section 9. This Act takes effect January 1, 2026.