

BULLETIN 2001-04

INSURANCE LEGISLATION ADOPTED BY THE 2001 KENTUCKY GENERAL ASSEMBLY (REGULAR SESSION)

April 16, 2001

THIS BULLETIN IS FOR INFORMATION PURPOSES ONLY. IT DOES NOT AMEND OR INTERPRET PROVISIONS OF THE KENTUCKY REVISED STATUTES OR THE KENTUCKY ADMINISTRATIVE REGULATIONS. THE COMPLETE AND ACCURATE TEXT OF THE LAW CAN BE SECURED WHEN THE 2001 ACTS OF THE KENTUCKY GENERAL ASSEMBLY ARE PUBLISHED IN THE SUMMER OF 2001. UNLESS OTHERWISE NOTED, THE EFFECTIVE DATE OF THE LEGISLATION IS JUNE 21, 2001.

(Bills as enacted are available on the LRC website at <http://www.lrc.state.ky.us>)

Senate Bill 76 – Prohibition Against Racial Profiling – This bill prohibits a state law enforcement agency or official from stopping, detaining or searching any person when the action is based solely on the person's race, color or ethnicity and the action would constitute a violation of the civil rights of the person. A model policy to prohibit racial profiling by state law enforcement agencies and officials will be designed and implemented by the secretary of the Justice Cabinet, Kentucky Law Enforcement Council, the Attorney General, the Office of Criminal Justice Training, the secretary of the Transportation Cabinet, the Kentucky State Police, the secretary of the Natural Resources and Environment Protection Cabinet and the secretary of the Public Protection Cabinet. Local law enforcement agencies participating in KLEFP must implement a policy banning racial profiling that meets or exceeds the requirements of the model policy. Other local law enforcement agencies are encouraged to develop a policy against racial profiling or adopt the model policy.

Contact: Insurance Fraud and Investigation Division

(502) 564-1461

Senate Bill 106 – Good Will - This bill amends KRS 304.6-020 to allow good will to be allowed as an asset in the determination of the financial condition of an insurer to the extent that it is expressly permitted and prescribed by the National Association of Insurance Commissioners' accounting practices and procedures.

Contact: Financial Standards and Examination Division

(502) 564-6082

Senate Resolution 104 – Commissioner's Confirmation – This bill confirms the appointment of Janie A. Miller as Commissioner of Insurance.

Contact: Commissioner's Office

(502) 564-6026

House Bill 37 – Rate Discount for Automatic Sprinkler System – This bill requires every property insurer to include in every rate filed with the commissioner a premium credit or discount for buildings equipped with an automatic sprinkler system. The amount of the discount is required to reflect the cost savings the insurer expects to realize in insuring property equipped with an automatic sprinkler system.

Contact: Property and Casualty Division

(502) 564-6046

House Bill 69 – Report on Impact of Mental Health Parity – This bill amends KRS 304.17A-665 to require the Commissioner to submit a written report to the Legislative Research Commission on the impact on health insurance costs related to mental health parity sixty (60) days prior to the 2002 Regular Session and each subsequent even-numbered-year regular session of the General Assembly.

Contact: Health Insurance Policy and Managed Care Division

(502) 564-6088

House Bill 90 – Kentucky Access Reorganization – This bill confirms Executive Order 2000-987 creating the Division of Kentucky Access within the Department of Insurance.

Contact: Division of Kentucky Access

(502) 573-1026

House Bill 112 – Telehealth – This bill allows the Telehealth Board to identify for participation in the telehealth network, any site that is operating as a telemedicine or telehealth site and that demonstrates its capability to follow the board's protocols and standards.

Contact: Health Insurance Policy and Managed Care Division

(502) 564-6088

House Bill 138 – Physician Assistants and Certified Surgical Assistants – This bill requires health benefit plans to provide coverage for intraoperative surgical care performed by a certified surgical assistant or a physician assistant if the health benefit plan provides coverage for surgical first assisting or intraoperative surgical care benefits or services.

This legislation is effective for health benefit plans issued or renewed on or after July 15, 2001.

Contact: Health Insurance Policy and Managed Care Division

(502) 564-6088

House Bill 145 – Health Insurance for Foster Parents – This bill requires the Cabinet for Families and Children, the personnel Cabinet and the Department of Insurance to prepare recommendations on purchasing health insurance coverage for foster parents through the public employee health insurance

group or other means. A report including a recommendation is to be made to the Governor and the Legislative Research Commission by July 15, 2001.

Contact: Health Insurance Policy and Managed Care Division

(502) 564-6088

Commissioner's Office

(502) 564-6026

House Bill 174 – Long Term Care Policies; Disclosure of Alternative Benefits – With regard to long term care policies, this bill requires policies that cover assisted living benefits to cover services received in any assisted living community that meets the state certification requirements and any additional requirements of the assisted living community stated within the policy and approved by the Department. Likewise, any long term care policy that covers adult day care services must provide coverage for services received in any adult day care facility that meets the state certification requirements and any additional requirements of the adult day care facility stated within the policy and approved by the Department.

With regard health benefit plans, this bill amends KRS 304.17A-607 to require an insurer or private review agent that denies coverage for a treatment, procedure, drug or device to include in the written notice a description of alternative benefits, services or supplies covered by the health benefit plan. (Under the previous law, insurers had to include a description of alternative treatments.)

Contact: Health Insurance Policy and Managed Care Division

(502) 564-6088

House Bill 352 – State Continuation Coverage – This bill amends KRS 304.18-110 to require that individuals who are insured through state continuation coverage remain covered by that same insurance until it terminates, even if the group plan for the insured's former employer is replaced by coverage through another insurer.

Contact: Health Insurance Policy and Managed Care Division

(502) 564-6088

House Concurrent Resolution 89 – Task Force to Study the Long-Term Funding Needs for Emergency Medical Services – This resolution directs the Legislative Research Commission to establish a task force to study the need for long-term funding of emergency medical services. The Task Force is required to submit a final report of its findings and recommendations to the Legislative Research Commission no later than September 1, 2001. The membership includes two representatives from private insurance companies that provide coverage for ambulance services.

Contact: Legislative Research Commission

(502) 564-8100