

Kentucky General Assembly Weekly Report

Week 7

February 18th through February 21st (Legislative Days 29-32)

The short work week certainly didn't feel like it, as floor action and debate on more consequential and controversial issues lengthened significantly. Just this week, the House passed public assistance reform (**HB1**) and a medical cannabis bill (**HB136**), while the Senate moved reforms to the Transportation Cabinet (**SB4**) and a bill that would limit the impact of pharmacy benefit managers (PBMs) on the state's Medicaid pharmacy benefit (**SB50**) off the floor. No doubt, the activity will continue to ramp up as both chambers attempt to move bills out of their originating chamber before the budget formally takes center stage. Kentucky has no crossover date, meaning that no bill number or bill language is officially "dead" until the conclusion of the session.

HB1 passed out of committee on Thursday and the full House on Friday following hours of debate. The legislation ultimately includes 3 of the 4 recommendations from the 2019 Public Assistance Reform Task Force, which met several months before issuing its recommendations late last year. Provisions in the bill include a requirement for the use of a single electronic benefit transfer (EBT) card, with a few exceptions for foster care and other similar programs.

The bill also includes a work requirement, known as the community engagement program, for the expanded Medicaid population who have been on the program for at least one year. These recipients would be required to work at least 80 hours a month in order to maintain eligibility for Medicaid benefits. However, a federal judge struck down a similar work component in former Governor Matt Bevin's Medicaid waiver request. The community engagement program would be triggered if the percentage of the state general fund required to provide the state match for Kentucky's expanded Medicaid population reaches 50 percent.

Also included in HB1 is a health care "gap" provision for those people with earnings between 138-200 percent of the federal poverty level who otherwise qualify for Medicaid, but no longer do qualify because of increased income. The bill would allow the person to participate in a state health insurance option created under HB 1. The program would provide the optional insurance to a qualified individual for 12 months, possibly longer.

House members held an emotional debate on the medical cannabis bill for several hours Thursday evening, and ended up adopting 8 of the 17 amendments filed to the bill. HB136 creates regulatory guidelines for patients to obtain medical cannabis from dispensaries with a "prescription" from a physician. While not necessarily in agreement, Rep. Nemes did allow adoption of an amendment that would prohibit smoking of medical cannabis, but allowing consumption in other forms such as oils or pills. The bill also sets a regulatory board that would be tasked with determining what conditions would qualify for use of medical cannabis, but those conditions will include at a minimum chronic pain, epilepsy, multiple sclerosis and nausea. Nemes argued the bill would be the most restrictive medical cannabis law if passed. HB 136 passed by a vote of 65-30, and now moves to the Senate for action where it likely has a very narrow path to passage.

At the other end of the hall of the Capitol this week, the Senate again tackled the pharmacy benefit manager (PBM) legislation that passed out of the Health & Welfare committee previously. Sponsored by Sen. Max Wise, SB50 was recommitted to the Health & Welfare Committee where it was amended and again passed to the Senate floor. Changes made to the bill require the state Medicaid program to hire a single PBM that all Medicaid managed care companies would have to use to process prescription drug claims. The bill also sets the requirement for a standard formulary of prescription drugs instead of allowing five separate formularies, one from each of the managed care organizations currently contracted with the state. This bill now moves to the House for further action.

Among other notable bills moving this week:

HB12, sponsored by Rep. Danny Bentley (R), would cap the cost of a 30-day supply of insulin at \$100. It now moves to the Senate.

SB2, sponsored by Sen. Robbie Mills (R) and championed by newly minted Secretary of State Michael Adams, passed out of a House Committee this week. It now awaits the full House.

HB298, now referred to as Jill's Law, attempts to curtail fatalities emanating from police pursuits, by establishing clear policies among law enforcement agencies and enhanced officer training. It passed a House Committee and awaits action on the floor.

Constitutional amendments are increasingly getting filed and heard this year. On Wednesday of this week alone, four amendments passed out of Senate and House committees. While there is no limit to the amount of regular bills filed and passed in any given year, Kentuckians may only vote on four total amendments on the November ballot. To that end, there is a generally understood agreement that the House and Senate each prioritize the two amendments of their choosing. If the interest level so far this year is any indication, filling those four spots may be competitive. The Senate has moved out of committee or off the floor proposed amendments aligning gubernatorial elections with presidential election years (**SB3**), limitations on the governor's ability to grant pardons (**SB58**), restoration of felon's voting rights (**SB62**), and a renewed effort at Marsy's Law (**SB15**). The House has moved through committee a proposed amendment clarifying that there is no right to an abortion in Kentucky's Constitution (**HB67**). A bill realigning and extending terms of members of the judiciary, including District Courts, appears to be gaining momentum, but there has been formal action taken on it (**HB405**). **HB475** was filed on Friday, and it would give the General Assembly more authority over local revenue options, which are currently very limited. The initial roster of co-sponsors shows support from fully half of the House, including almost all members of Republican and Democratic Leadership.

As of Friday (Day 32), nearly 670 bills have been filed and only two signed by the Governor. Friday was the last day to *request* new bill jackets, but the bill filing deadline for the House and Senate take place Monday, March 2nd and Tuesday, March 3rd, respectively. There has been an uptick in daily bill filings as the deadline inches closer. Of course, amendments, committee substitutes, and free conference committees mean that new subject matter and bill language may be introduced at just about any time during the remainder of this General Assembly.

The next scheduled day off (other than weekends) for the legislature is not until Friday, March 27th.

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