



Kentucky General Assembly Weekly Report

Week 8

February 24th through February 28th (Legislative Days 33 - 37)

Healthcare Report

After a flurry of high-profile activity on the health care front last week, several other bills had a chance to take another step in the process this week. Bills that saw action include a multitude of issues from local health department funding and athletic trainers to requirements for fingerprint checks.

The local health departments surpassed another hurdle this week when HB129, a bill sponsored by Rep. Kim Moser that sets out the parameters for funding the local health departments, moved through the Senate Health & Welfare committee. This legislation has been in the works for nearly two years and local health departments argue that passage is vital to ensure the viability of the local health departments going forward. As the pension obligations continue to take a toll, HB129 offers a revised structure that defines the foundational health services local health departments will be required to focus their funding on and sets forth a funding mechanism for each entity. The bill is now on the Senate floor where it awaits final action by the Senate.

Two Senate bills made it out of the House Health & Family Services Committee this week, moving them closer to the finish line. Sen. Ralph Alvarado's child welfare bill, SB40, would require front-line staff of child-caring and child placing agencies to submit to national and state fingerprint-supported background checks. It is supported by the Cabinet for Health and Family Services and now awaits action on the House floor. Also out of the House Health & Family Services Committee is SB82, sponsored by Sen. Julie Raque Adams, which establishes the Kentucky Eating Disorder Council in the Cabinet for Health and Family Services. Advocates testified about the lack of services for those suffering from eating disorders in the Commonwealth and supported the need to establish a formal council that will be tasked with the development and implementation of eating disorder awareness, education, and prevention programs.

As the addiction epidemic continues to have a stranglehold on many citizens of the Commonwealth, Rep. Kim Moser moved her utilization review bill, HB389, out of the House Banking & Insurance committee this week. The bill would lift the requirement for a prior authorization for many of the pharmaceuticals available to treat substance use disorder. While this bill has several more hurdles to overcome, there is still plenty of time left for it to move to seek final passage in the coming weeks.

While the major issues of pharmacy benefit management for Medicaid and limits on the number of managed care organizations did not see action this week, there are still 23 days for the Senate bills dealing with these issues (SB 50 and SB 30 respectively) to make it through the process. The House has yet to signal their intent for these two issues.

In what feels like the calm before the storm, the General Assembly made quick work in chambers most every night this week. Constitutional amendments took center stage, with the Senate passing three such bills in as many days, and a House committee moving through a measure intended to ultimately modernize Kentucky's local tax structure (see below). The full House passed a significant tax increase bill by proposing to double taxes on non-cigarette tobacco products and adding an aggressive, new tax on vaping products. Also this week, Republicans and Democrats split two special elections to replace Democrats who left the House for the Beshear Administration, leading to a GOP pickup. The action is expected to pick up next week, as the House is expected to move forward with committee and floor votes on its budget and revenue proposals.

The Senate's three constitutional amendments include a retread of Marsy's Law, a felony expungement bill, and a measure forcing gubernatorial pardons to take place in advance of a gubernatorial election. Recall that Marsy's Law was overwhelmingly supported by the public during the 2018 general election, but was stricken by the State Supreme Court, who noted that the ballot language was too vague. The preponderance of filed constitutional amendments and the Supreme Court's new standard for ballot language detail no doubt informed the filing of a binding House Joint Resolution by Rep. Joe Fischer, which would apply that ruling specifically to the 2018 Marsy's Law case, and declare that the General Assembly has sole authority to determine the sufficiency of ballot language. On a semi-related note, Northern Kentucky Republican Rep. Ed Massey filed an amendment that would align the state's supreme court districts with its six congressional districts, and allow for the statewide election of the Chief Justice.

By a vote of 15-0, a House committee approved a proposed constitutional amendment that could give local governments in Kentucky more taxing authority if approved by voters statewide. HB475, sponsored by Rep. Michael Meredith and 56 other House Republicans and Democrats, would change Section 181 of the state Constitution that would clear the way for a new framework for local government taxation. The state Constitution currently restricts local governments' ability to levy certain taxes and fees which makes cities, counties and certain other local government entities largely dependent on payroll and net profit taxes, property tax, and franchise fees. The proposed amendment would give the legislature the authority to craft a comprehensive tax structure that gives local governments more flexibility and diversity in their base. Local governments would then pass ordinances within the boundaries of that tax framework. An unrelated measure to increase local government revenues by way of expanding the three-percent restaurant tax received no action over the week.

House Leadership are fleshing out those "low" bill numbers early this, with the filings of HBs 2 and 3. HB2, sponsored by House Majority Caucus Chair Suzanne Miles, regards human trafficking, and it adds to the definition of sex crimes, requires the posting of hotline numbers in areas prone to human trafficking, as well as stiffen penalties for trafficking-related convictions. HB3, sponsored by House Majority Whip Chad McCoy, concerns civil justice reform as it pertains to long-term care facilities. Thus far, the House has filed in excess of 540 bills, and at this time, Monday will be the final day to file House bills.

Soon, two more members of the House of Representatives will be sworn in. Two districts were left open when vacated by former State Reps. Dennis Keene (Commissioner of the Department for Local Government) and Rocky Adkins (Senior Advisor to the Governor). Republicans picked up the former Adkins seat, by electing lumber mill owner Richard White to the 99th District. That district hasn't been held by a Republican since the 1920s. Meanwhile, Democrats held on to the 67th District seat by electing small business owner Rachel Roberts. Upon swearing in, the GOP will have a 62-38 supermajority hold on that chamber, with House Majority Floor Leader Bam Carney still sidelined while he recovers from a Christmastime hospitalization.

House Budget Review Subcommittees have now completed their work, and the budget is anticipated to be passed out of the House this coming week. The Governor's Budget Director has been omnipresent in budget committees, and the tenor of subcommittee work has been more of discovery than "gotcha" politics. The

budget must ultimately be balanced, although that can be done by a variety of ways, including funds sweeping, fee and tax increases, borrowing, or old-fashioned cutting. The Republican House and Senate have become accustomed to the belt-tightening forced by the pension crisis, but with myriad new tax credits proposed, it remains to be seen how much discipline they will exercise over the next several weeks.

Due to a delay in the updating of the LRC website, weekly bill trackers do not reflect Friday bill filings or Friday legislative action.

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