

COMMONWEALTH OF KENTUCKY

PUBLIC PROTECTION CABINET

Department of Insurance



The Impact of Mental Health Parity  
on Health Insurance Cost in Kentucky

October 31, 2025

Sharon P. Clark  
Commissioner

As required by KRS 304.17A-665, the Commissioner of the Department of Insurance respectfully submits the following report on the impact of KRS 304.17A-660 to KRS 304.17A-669.

The Affordable Care Act required all non-grandfathered individual and non-grandfathered small groups to provide mental health and substance abuse services beginning in 2014. KRS 304.17A-330 requires all insurers authorized to write health insurance in this state to submit annual data relating to the payment of claims for health and medical services provided under a health benefit plan issued in Kentucky. Therefore, cost of claims for health and medical services, including mental health services, reported by insurers for calendar years 2020 to 2024 were analyzed to determine mental health care cost compared to total health care cost for individual, small and large group health benefit plans. For the purposes of this analysis, it will be assumed that all individual, small and large group health benefits plans issued from 2020 to 2024 provided mental health benefits. Note the following data as reported for the years indicated:

**Dollar Amounts Paid for Insurance Claims (in thousands)**  
**Data is for Individual, Small and Large Groups**

Year	Total Claims Paid by Insurer	Total Claims Paid by Insured	Total Combined Claims	Behavioral Health Claims Paid by Insurer	Behavioral Health Claims Paid by Insured	Total Combined Behavioral Health Claims
2024	\$2,298,508	\$515,392	\$2,813,900	\$33,041	\$13,165	\$46,206
2023	\$2,303,878	\$548,656	\$2,852,534	\$28,128	\$13,020	\$41,148
2022	\$2,214,312	\$530,008	\$2,744,320	\$26,343	\$12,148	\$38,491
2021	\$1,989,593	\$506,854	\$2,496,447	\$21,178	\$9,310	\$30,488
2020	\$1,805,998	\$418,603	\$2,224,601	\$17,830	\$6,054	\$23,884
Total	\$10,612,289	\$2,519,513	\$13,131,802	\$126,520	\$53,697	\$180,217

Over this five-year period, behavioral health claims represent 1.37 percent of total claims.

In addition to the analysis of the cost of claims for health and medical services, including mental/behavioral health services, the Department analyzed the cost per member per month for all health care services, as compared to the cost per member per month for mental health services during 2024. In 2024, the cost per member per month was \$565.70. Of the \$565.70, a total of \$11.20 per member per month (1.98 percent) was spent on mental health care.