

**Kentucky Department of Insurance
Financial Impact Statement**

HM Statement for HB 140

- I. The proposed BR 868 Prescription Drug Synchronization legislation will increase the administrative expenses of insurers, based upon data from Optum's database with similar health insurance benefits. The proposed legislation for all insured health benefit plan coverage (not State Employee Plans) is estimated to increase administrative expenses from .22% to .28% due to the increased cost and utilization.
- II. The proposed BR 868 Prescription Drug Synchronization legislation will increase premiums, based upon data from Optum's database with similar health insurance benefits. The proposed legislation for all insured health benefit plan coverage (not State Employee Plans) is estimated to increase premiums from .22% to .28% due to the increased cost and utilization. This could be an increase from \$5.0-6.2 million annually for all insured policies (not State Employee Plans) in Kentucky. The increase for all insured policies is \$1.48-1.85 per subscriber per month, or \$17.77-22.21 per subscriber per year.
- III. The proposed BR 868 Prescription Drug Synchronization legislation will impact the total cost of health care in the Commonwealth, including any potential cost savings that may be realized, based upon data from Optum's database with similar health insurance benefits. The proposed legislation for all insured health benefit plan coverage (not State Employee Plans) is estimated to increase total cost of health care from .22% to .28% due to the increased cost and utilization. This could be an increase from \$4.0-5.0 million annually for all insured policies in Kentucky (not State Employee Plans). The increase for all insured policies is \$1.19-1.49 per subscriber per month, or \$14.33-17.92 per subscriber per year.

The variance of the 2015 versus the 2014 Rx Synchronization is that the 2015 further defines the types of drugs and situations where synchronization can occur. These conditions are already accounted for in the underlying data set, therefore the impact is immaterial.



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FIS Actuarial Form 6-03