

**Kentucky Department of Insurance  
Financial Impact Statement**

- I. The proposed **HB 226 (BR 842)** that prohibits insurers who offer prescription drug coverage as a part of their health benefit plans from requiring the insured to use a mail-order pharmacy, and also requiring that any cost sharing amounts charged for using a retail pharmacy be applied to any annual limitation for a deductible, coinsurance, or other cost-sharing requirements will not have a material impact on the administrative expenses of insurers, based upon data from Upturn's database with similar health insurance benefits. The proposed legislation for all insured health benefit plan coverage (not State Employee Plans) is not expected to increase administrative expenses.
- II. The proposed **HB 226 (BR 842)** listed above will NOT materially 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 NOT expected to increase premiums.
- III. The proposed **HB 226 (BR 842)** listed above will NOT materially impact the total cost of health care in the Commonwealth, including any potential cost savings that may be realized, based upon data from Upturn's database with similar health insurance benefits. The proposed legislation for all insured health benefit plan coverage (not State Employee Plans) is NOT expected to increase total cost of health care.

In summary, we have observed that the prescriptions will be filled in either the retail pharmacy or the mail-order pharmacy regardless of whether the mail-order is mandatory or not. By not allowing the mail-order to be mandatory, there may be some "leakage" to the retail pharmacy, but generally the mail-order is more cost effective for the consumer which incents the consumer to use the mail-order option.



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(Signature of Commissioner/Date)  
**FIS Actuarial Form 6-03**