

**Kentucky Department of Insurance
Financial Impact Statement**

I. Mandating health insurance coverage of SB 18 HFA 1 is not expected to materially increase administrative expenses of insurers, based upon an analysis of the proposed mandate, research and the use of publicly available sources, and our experience with similar health insurance benefits. The mandate requires health benefit plans that provide drug coverage to include in that coverage therapeutic food, formulas, and supplements for the treatment of mitochondria' disease. The proposed legislation for all insured health benefit plan coverages, not including state employees, is not expected to materially increase administrative expenses.

Mandating health insurance coverage of SB 18 HFA 1 will increase premiums, based upon an analysis of the proposed mandate, research and the use of publicly available sources, and our experience with similar health insurance benefits. The mandate requires health benefit plans that provide drug coverage to include in that coverage therapeutic food, formulas, and supplements for the treatment of mitochondria' disease. It is estimated to increase premiums from approximately 0.01% to 0.03%, or approximately \$0.5-\$1.1 million annually for all fully insured policies in Kentucky, not including state employees, due to the increased costs for health plans. The increase is approximately \$0.05 to \$0.10 per member per month.

Mandating health insurance coverage of SB 18 HFA 1 will increase the total cost of health care in the Commonwealth, including any potential cost savings that may be realized, based upon an analysis of the proposed mandate, research and the use of publicly available sources, and our experience with similar health insurance benefits. The mandate requires health benefit plans that provide drug coverage to include in that coverage therapeutic food, formulas, and supplements for the treatment of mitochondria' disease. It is estimated to increase the total cost of healthcare from approximately 0.01% to 0.03%, or approximately \$0.5-\$1.1 million annually for all fully insured policies in Kentucky, not including state employees, due to the increased costs for health plans. The increase is approximately \$0.05 to \$0.10 per member per month.



Brian Stentz, A.S.A. M.A.A.A.
LEWIS & ELLIS, INC.

March 24, 2016

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(Signature of CommissionerDate)