

**Kentucky Department of Insurance  
Financial Impact Statement**

**SB 268**

I. Mandating health insurance coverage of BR 1440 will not be expected to have a material impact on the administrative expenses of insurers, based upon an analysis of the proposed mandate and our experience with similar health insurance benefits. The mandate which requires at least 25% of the health benefit plans covering essential health benefits, in each level of coverage other than bronze, to offer prescription drugs with only a copayment cost-sharing structure that is no more than 1112th of the OOP max for that specific plan is not expected to increase expenses. Our analysis included the use of the Federal Metal AV calculator, L&E's prescription drug pricing model and our anticipated behavior of Insurance Companies. The federal calculator appears to offer Carriers enough flexibility to offer a plan design which complies with this proposed mandate, remains in the same metal tiers, and expect to cost approximately the same as another plan design of the same metal tier making it the Carriers choice if the proposed mandate increases the costs absent this proposed mandate.

Mandating health insurance coverage of BR 1440 will not be expected to have a material impact premiums, based upon an analysis of the proposed mandated and our experience with similar health insurance benefits. Our analysis included the use of the Federal Metal AV calculator. L&E's prescription drug pricing model and our anticipated behavior of Insurance Companies.

Mandating health insurance coverage of BR 1440 will not be expected to have a material impact on 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 and our experience with similar health insurance benefits. Our analysis included the use of the Federal Metal AV calculator, L&E's prescription drug pricing model and our anticipated behavior of Insurance Companies.



Brian Stentz, A.S.A. M.A.A.A.

LEWIS & ELLIS, INC.

February 25, 2016

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(Signature of Commissioner/Date)