

**Kentucky Department of Insurance
Financial Impact Statement**

HM statement for SB 285

1. Mandating health insurance coverage of BR 1877 will increase the administrative expenses of insurers, based upon an analysis of the proposed modifications and our experience with health insurance benefits. The mandate, which requires insurers offering health benefit plans to pay for emergency transportation both in-network and out-of-network without prior authorization for emergency medical conditions and to reimburse the air ambulance services at the service's usual and customary rate is estimated to increase expenses from approximately 0.18% to 0.59% due to the increased costs for health plans.

Mandating health insurance coverage of BR 1877 will increase premiums, based upon an analysis of the proposed modifications and our experience with health insurance benefits. The mandate, which requires insurers offering health benefit plans to pay for emergency transportation both in-network and out-of-network without prior authorization for emergency medical conditions and to reimburse the air ambulance services at the service's usual and customary rate is estimated to increase premiums from approximately 0.18% to 0.59% due to the increased costs for health plans, or approximately \$7.7-\$24.5 million annually for all insured policies in Kentucky. The increase is approximately \$0.72 to \$2.31 per member per month.

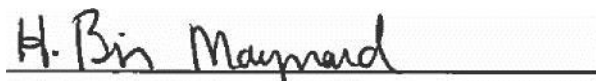
Mandating health insurance coverage of BR 1877 will impact the total cost of health care in the Commonwealth, including any potential cost savings that may be realized, based upon an analysis of the proposed modifications and our experience with health insurance benefits. The mandate, which requires insurers offering health benefit plans to pay for emergency transportation both in-network and out-of-network without prior authorization for emergency medical conditions and to reimburse the air ambulance services at the service's usual and customary rate is estimated to increase the total cost of healthcare from approximately 0.18% to 0.59% due to the increased costs for health plans, or approximately \$7.7-\$24.5 million annually for all insured policies in Kentucky. The increase is approximately \$0.72 to \$2.31 per member per month..



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

LEWIS & ELLIS, INC.

February 29, 2016



(Signature of Commissioner/Date)