

HB 371
Kentucky Department of Insurance
Financial Impact Statement

- I. Mandating health insurance coverage of HB 371 is not expected to materially increase administrative expenses of insurers, based upon our analysis of the proposed mandate and our experience with similar health insurance benefits. The mandate requires the Department for Medicaid Services or a managed care organization contracted to provide Medicaid services and Health Benefit Plans (HBP) to provide coverage to an insured, without being subject to any cost-sharing, benefit maximums or waiting periods, for any medical expenses resulting from the requirements mandated in Sections (2), (3), and (9) of 17 RS SB 5/GA. Under our interpretation of 17 RS SB 5/GA, HB 371 mandates coverage for the medical tests necessary to determine that the probable post-fertilization age of a newborn child is less than (20) weeks for all abortions not determined to be a medical emergency. While it is specifically addressed in 17 RS SB 5/GA, our interpretation and analysis assumes HB 371 does not mandate coverage for neonatal services for premature infants.
- II. The proposed HB 371, as described above, will not materially increase premiums, based upon our analysis of the proposed mandate and our experience 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 371, as described above, will not materially increase the total cost of health care in the Commonwealth, based upon our analysis of the proposed mandate and our experience 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.

Our analysis included the use of data and statistics from the Centers for Disease Control and Prevention, the American Factfinder census data, the Henry J. Kaiser Family Foundation (KFF) website, a research brief by Ibis Reproductive Health called “The Impact of OOP costs on abortion care access” and a 2015 Annual Data Report provided by The Kentucky Department of Insurance (KY DOI). Our determination that the mandated health coverage of HB371 would have a limited impact on overall medical costs was due primarily to the relatively limited number of qualifying events which would result in the required medical test. As a result, the proposed mandate of HB371 is not anticipated to increase administrative costs, premiums or the total healthcare costs for all health benefit plans or the State’s Medicaid costs.



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