

**Kentucky Department of Insurance
Financial Impact Statement**

Mandating health insurance coverage of HB 218, 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 expands coverage requirements related to the diagnosis and treatment of autism spectrum disorders and eliminates all age and annual maximum restrictions for such coverage. The proposed legislation for all insured health benefit plan coverages, not including state employees, is not expected to materially increase administrative expenses of Insurers.

Mandating health insurance coverage of HB 218, will increase premiums, based upon our analysis of the proposed mandate and our experience with similar health insurance benefits. The mandate expands coverage requirements related to the diagnosis and treatment of autism spectrum disorders and eliminates all age and annual maximum restrictions for such coverage currently allowed by health benefit plans. Our estimated increase in premiums for health benefit plans, not including state employee plans, is approximately \$0.50 to \$0.95 per member per month (PMPM). This represents an increase of approximately 0.1% to 0.2% or, approximately \$2.8 to \$5.3 million for all fully insured policies in Kentucky, not including state employees, due to the increased costs for health plans.

Mandating health insurance coverage of HB 218 will 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 mandate expands coverage requirements related to the diagnosis and treatment of autism spectrum disorders and eliminates all age and annual maximum restrictions for such coverage currently allowed by health benefit plans. Our estimated increase in the total cost of health care in the Commonwealth for health benefit plans, is approximately \$0.50 to \$0.95 per member per month (PMPM). This represents an increase of approximately 0.1% to 0.2% or approximately \$2.8 to \$5.3 million for all fully insured policies in Kentucky, not including state employees, due to the increased costs for health plans.

Our analysis included the use of research, data and statistics from a study L&E performed on a similar health mandate for the state of South Carolina "Cost estimate of South Carolina bill S.135 to amend health insurance coverage for autism spectrum disorder." L&E's medical manual, actuarial judgement, and a 2016 Annual Data Report provided by DOI.



Brian Stentz, A.S.A. M.A.A.A.
LEWIS & ELLIS, INC.
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(Signature of Commissioner/Date)

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