

FIS Actuarial Form 6-03

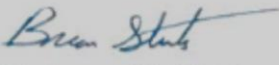
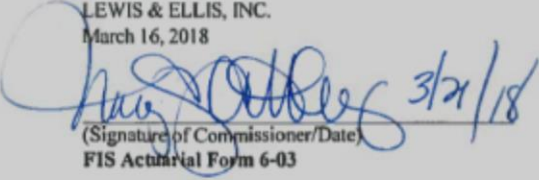
**Kentucky Department of Insurance
Financial Impact Statement**

- I. Mandating health insurance coverage of HB 576, will not increase administrative expenses of insurers, based upon our analysis of the proposed mandate and our experience with similar health insurance benefits. The mandate prohibits health plans from basing a final determination of a concurrent or retrospective review on the final diagnosis of the insured when the insured has any condition that reasonably appears to constitute an emergency medical condition.

The proposed HB 576, as described above, will increase premiums, based upon our analysis of the proposed mandate and our experience with similar health insurance benefits. Our estimated increase in premiums for health benefit plans, not including state employee plans, is approximately \$0.38 to \$1.38 per member per month (PMPM). This represents an increase of approximately 0.1% to 0.3% or approximately \$2.1 to \$7.6 million for all fully insured policies in Kentucky, not including state employees, due to the increased costs for health plans.

The proposed HB 576, as described above, 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. Our estimated increase in the total cost of health care in the Commonwealth for health benefit plans, is approximately \$0.38 to \$1.38 per member per month (IPMPM). This represents an increase of approximately 0.1% to 0.3% or approximately \$2.1 to \$7.6 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 data and statistics from L&E's medical manual, actuarial judgement, and a 2016 Annual Data Report provided by The Kentucky Department of Insurance (KY DOI).


Brian Stentz, A.S.A. M.A.A.A.
LEWIS & ELLIS, INC.
March 16, 2018

(Signature of Commissioner/Date)
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