

**Kentucky Department of Insurance
Financial Impact Statement**

**19 RS BR 91/SB 30 GA
Health Benefit Mandate Statement**

- I. Mandating health insurance coverage of SB 30, 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 health benefit plans to provide coverage, without cost sharing, of any reliable genetic test for cancer risk that is generally accepted in the medical or scientific community as being associated with a statistically significant increased risk of cancer development. The recommendation must be made by a medical professional and consistent with guidelines published by the National Comprehensive Cancer Network ("NCCN"). The proposed legislation for all insured health benefit plan coverages, not including state employees, is not expected to materially increase administrative expenses of Insurers.

The proposed SB 30, 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 \$0.04 to \$0.78 per member per month (PMPM). This represents an increase of approximately 0.01% to 0.15% or approximately \$0.2 to \$4.0 million for all fully insured policies in Kentucky, not including state employees, due to the increased costs for health plans.

The proposed SB 30, 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, not including state employee plans, is approximately \$0.04 to \$0.78 per member per month (PMPM). This represents an increase of approximately 0.01% to 0.15% or approximately \$0.2 to \$4.0 million for all fully insured policies in Kentucky, not including state employees, due to the increased costs for health plans.

Our analysis included use of research, data and statistics from the National Cancer Institute (NCI), National Comprehensive Cancer Network (NCCN), American Cancer Society (ACS), other various cancer studies and articles and a 2017 Insurer annual data report provided to us by the Kentucky Department of Insurance (KY DOI).

Note: It is acknowledged that there is potential for long-term savings and additional costs for early detection of cancer as a result of this mandate. However, our analysis focused on the expected increase in costs for the new genetic testing required by the proposed mandate.



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LEWIS & ELLIS, INC.
February 12, 2019



Commissioner, Department of Insurance
February 12, 2019