

Kentucky Department of Insurance
Financial Impact Statement
BR 282 HM Statement

- I. Mandating health insurance coverage of BR 282, is not expected to materially impact administrative expenses of insurers, based upon our analysis of the proposed mandate and our experience with similar health insurance benefits. The following is a brief description of the proposed mandates:
- a. Requires a health plan to provide coverage for nonparticipating air ambulance providers that is equal to the average in-network rate for participating air ambulance providers;
 - b. Requires an insurer to establish an air ambulance provider mediation process for payment of out-of-network air ambulance provider bills;
 - c. Requires an insurer to maintain records of all mediations for a period of at least 1 year and upon request, provide a complete report to the Commissioner;
 - d. Requires the Department to publish on its website, at least quarterly, information regarding the participating provider network status of each air ambulance service provider authorized to operate in Kentucky;
 - e. Requires air ambulance providers to request prior approval from an individual's health benefit plan before arranging services if they are known to be covered. If the provider is unable to request or obtain prior approval from the health plan, they must supply a written disclosure, as defined in the regulation and obtain a signature from the covered individual or their representative prior to providing air ambulance services, unless the provider is unable to obtain the signature (e.g. such as the health and safety of the patient).

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 BR 282, 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 \$1.01 to \$4.04 per member per month (PMPM). This represents an increase of approximately 0.2% to 0.9% or approximately \$5.2 to \$21.0 million for all fully insured policies in Kentucky, not including state employees, due to the increased costs for health plans.

The proposed BR 282, 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 \$1.01 to \$4.04 per member per month (PMPM). This represents an increase of approximately 0.2% to 0.7% or approximately \$5.2 to \$21.0 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 an article by Kaiser Family Foundation “Surprise Medical Bills”, estimated billed charges & reimbursement rates for Air ambulance services providers found on FairHealthConsumer’s website (www.fairhealthconsumer.org), L&E’s medical manual, actuarial judgement, and a 2017 Annual Data Report provided by The Kentucky Department of Insurance (KY DOI).



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LEWIS & ELLIS, INC.
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(Signature of Commissioner/Date) 2/4/2019

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