

**Kentucky Department of Insurance  
Financial Impact Statement**

- I. Mandating health insurance coverage of BR 1512/ HB 435, 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 all health benefit plans to cover diagnostic testing and long-term antibiotic therapy for a covered person with Lyme disease. The therapy must be determined to be medically necessary and ordered by a licensed physician that has made a thorough evaluation of the person's symptoms, diagnostic test results, and response to treatment. Coverage may be subject to cost sharing provisions; however, they can be no less favorable than those applied for other ongoing medication therapies. Coverage shall also not be denied or determined medically unnecessary solely because the testing or therapy may be characterized as unproven, experimental, or investigational in nature. The proposed legislation for all insured health benefit plan coverages, excluding Medicaid and state employees, is not expected to materially increase administrative expenses of Insurers.

The proposed BR 1512/ HB 435, as described above, is not expected to materially increase premiums, based upon our analysis of the proposed mandate and our experience with similar health insurance benefits.

The proposed BR 1512/ HB 435, as described above, is not expected to materially increase the total cost of health care in the commonwealth, including and potential cost savings that may be realized, based upon our analysis of the proposed mandate and our experience with similar health insurance benefits.

Our analysis included use of data and statistics from the Center for Disease Control (CDC) and an article "Lyme Disease Costs Up to \$1.3 Billion Per Year to Treat, Study Finds" from 2015 published by Johns Hopkins Bloomberg School of Public Health. Our immateriality estimate is driven primarily by the extremely low incidence rate of new Lyme disease cases in Kentucky. Note, we are currently unaware of any unproven, experimental, or investigational diagnostic testing or therapies for Lyme Disease; however, this could have a material impact on our analysis if such treatments are available or become available in the future and are expensive relative to current price levels.

Disclosure: Due to the material disclosure requirements required therein, we must acknowledge that the content of this report may not comply with Actuarial Standard of Practice No. 41 Actuarial Communications.



Brian Stentz, A.S.A. M.A.A.A.

LEWIS & ELLIS, INC.

February 26, 2020



(Signature of Commissioner/Date)

FIS Actuarial Form 6-03