

**Kentucky Department of Insurance  
Financial Impact Statement**

- I. Mandating health insurance coverage of BR1421 / HB 519, 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 provide coverage for epinephrine auto-injectors for persons eighteen (18) years of age and under where coverage shall not be subject to any cost-sharing requirements such as co-payments, coinsurance, or deductibles greater than fifty dollars (\$50). The limitation on cost sharing shall be subject to inflation adjustments every five (5) years based on the CPI published by the Federal Bureau of Labor Statistics. 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 BR1421 / HB 519, 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 BR1421 / HB 519, 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 American Academy of Allergy and Asthma & Immunology, a report from the Pharmaceutical Care management Association titled "The Facts on EpiPen Costs", and a 2018 Insurer annual data report provided to us by the Kentucky Department of Insurance (KY DOI).

Disclosure: L&E made several assumptions in performing the analysis. Several of these assumptions are subject to material uncertainty and it is not unexpected that actual results could materially differ from these estimates if a more in-depth analysis were to be performed. Examples of uncertainty inherent in the assumptions include, but are not limited to 1) data limitations, 2) the actual distribution and costs of the epinephrine auto-injectors currently being utilized by insureds and 3) the actual health benefit plan cost sharing requirements of insureds impacted by the proposed mandate.

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.



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(Signature of Commissioner/Date)

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