

**Kentucky Department of Insurance  
Financial Impact Statement**

- I. Mandating health insurance coverage of BR 359, 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. 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 359, 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 \$0.02 to \$0.08 per member per month (PMPM). This represents an increase of approximately 0.004% to 0.01% or approximately \$0.09 to \$0.36 million for all fully insured policies in Kentucky, not including state employees, due to the increased costs for health plans.

The proposed BR 359, 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 \$0.02 to \$0.08 per member per month (PMPM). This represents an increase of approximately 0.004% to 0.01% or approximately \$0.09 to \$0.36 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 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: 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 4, 2020



(Signature of Commissioner/Date)

**FIS Actuarial Form 6-03**