

**Kentucky Department of Insurance
Financial Impact Statement**

- I. Mandating health insurance coverage of SB 54, 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 that provide hospital, medical, or surgical expenses to include coverage for fertility preservation services when a medical treatment may directly or indirectly cause iatrogenic infertility. The required coverage includes evaluation expenses, laboratory assessments and treatments associated with oocyte and sperm cryopreservation procedures, including first year storage costs. This mandate will not apply to those employers who are religious organizations. 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 54, 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 \$0.01 to \$0.04 per member per month (PMPM). This represents an increase of approximately 0.001% to 0.01% or approximately \$0.03 to \$0.2 million for all fully insured policies in Kentucky, not including state employees, due to the increased costs for health plans.

The proposed SB 54, 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 \$0.01 to \$0.04 per member per month (PMPM). This represents an increase of approximately 0.001% to 0.01% or approximately \$0.03 to \$0.2 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 National Cancer Institute (NCI), a report from the Livestrong Foundation: "Iatrogenic Infertility Due to Cancer Treatments: A Case for Fertility Preservation Coverage," a report by the California Health Benefits Review Program (CHBRP) based on analysis of similar legislation in California "Analysis of Assembly Bill 912: Fertility Preservation," and a 2017 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.



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LEWIS & ELLIS, INC.
January 17, 2020



(Signature of Commissioner/Date)

FIS Actuarial Form 6-03