

**Kentucky Department of Insurance
Financial Impact Statement**

- I. Mandating health insurance coverage of BR163 / HB140/GA is not expected to materially increase premiums, based upon our analysis of the proposed mandate and our experience with similar health insurance benefits. The mandate requires covered services provided to an insured person through telehealth, including telehealth services provided by a home health agency licensed under KRS Chapter 216, equivalent to the coverage and reimbursement rates for the same service provided in person. The mandate further stipulates that health benefits issued or renewed on or after the effective date of shall: a) require that telehealth services reimbursed under this section meet all clinical, technology, and medical coding guidelines for recipient safety and appropriate delivery of services established by the Department of Insurance or the provider's professional licensure board; and b) require a telehealth provider to be licensed in Kentucky in order to receive reimbursement for telehealth services. Health benefits for state employees or the KY Medicaid population are excluded from this analysis.

The proposed BR163 / HB140/GA, as described above, is not expected to materially 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. Health benefits for state employees or the KY Medicaid population are excluded from this analysis.

The proposed BR163 / HB140/GA, as described above, 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.

Our analysis included the use of data and statistics from a study done by Red Quill Consulting, Inc. "Assessment of the Feasibility and Cost of Replacing In-Person Care with Acute Care Telehealth Services," an article named "Telehealth: A quarter-trillion-dollar post-COVID-19 reality?" by McKinsey & Company, a Journal of Medical Internet Research report named "Determining if Telehealth Can Reduce Health System Costs: Scoping Review," actuarial judgment and a 2019 Annual Data Report provided by The Kentucky Department of Insurance.

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, 2021



Michael Lin, F.S.A. M.A.A.A.
LEWIS & ELLIS, INC.
February 4, 2021



3/2/2021

(Signature of Commissioner/Date)