

**Kentucky Department of Insurance
Financial Impact Statement**

I. Mandating health insurance coverage of BR 328 / HB 48 GA, will increase premiums, based upon our analysis of the proposed mandate and our experience with similar health insurance benefits. The mandate requires reimbursement to a pharmacist for a service or procedure at a rate not less than that provided to other nonphysician practitioners if the service or procedure: (a) Is within the scope of the practice of pharmacy; (b) Would otherwise be covered under the policy, plan, or contract if the service or procedure were provided by a: Physician, Advanced practice registered nurse, or Physician assistant; and; (c) Is performed by the pharmacist in strict compliance with laws and administrative regulations related to the pharmacist's license. Our estimated increase in premiums for health benefit plans, excluding Medicaid and state employee plans, is approximately \$0.00 to \$0.20 per member per month (PMPM). This represents an increase of approximately 0.0% to 0.03% or approximately \$0.0 to \$0.9 million for all fully insured policies in Kentucky, excluding Medicaid and state employees, due to the increased costs for health plans.

The proposed BR 328 / HB 48 GA, 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, excluding Medicaid state employee plans, is approximately \$0.00 to \$0.20 per member per month (PMPM). This represents an increase of approximately 0.0% to 0.03% or approximately \$0.0 to \$0.9 million for all fully insured policies in Kentucky, excluding Medicaid and state employees, due to the increased costs for health plans.

The proposed BR 328 / HB 48 GA, as described above, will not 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 use of data and statistics from L&E's medical and prescription drug manual, Health Affairs' article on "Spending On Prescription Drugs In The US: Where Does All The Money Go?", American Pharmacists Association report titled "Pharmacists Improving, Patient Access to Health Care", similar bills from other states (e.g., New Mexico, California, Washington (state)), actuarial judgement and a 2019 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, data limitations, the cost and frequency of patient care services performed by pharmacists and the induced utilization and cost impact of receiving such services.

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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January 26, 2021



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(Signature of Commissioner/Date)