

**Kentucky Department of Insurance  
Financial Impact Statement**

I. Mandating health insurance coverage of BR 247, will increase premiums, based upon our analysis of the proposed mandate and our experience with similar health insurance benefits. The mandate requires a health benefit plan to provide coverage for evidence-based non-opioid treatment for pain, including but not limited to: chiropractic, physical therapy, occupational therapy, acupuncture, massage therapy, and osteopathic manipulation. Coverage for these treatments shall not be subject to annual or lifetime limits on visits and cost-sharing for coverage shall be in accordance with the requirements for rehabilitative and habilitative services under the Patient Protection and Affordable Care Act of 2009. Our estimated increase in premiums for health benefit plans, excluding Medicaid and state employees, is approximately \$0.00 to \$3.01 per member per month (PMPM). This represents an increase of approximately 0.0% to 0.5% or approximately \$0 to \$13.6 million for all fully insured policies in Kentucky, excluding Medicaid and state employees, due to the increased costs for health plans.

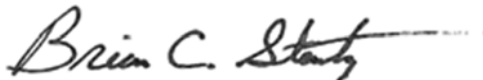
The proposed BR 247, as described above, will increase the total cost of health care in the Commonwealth, based upon our analysis of the proposed mandate and our experience with similar health insurance benefits. Our estimated increase in the total cost of health care in the Commonwealth for health benefit plans, is approximately \$0.00 to \$3.01 per member per month (PMPM). This represents an increase of approximately 0.0% to 0.5% or approximately \$0 to \$13.6 million for all fully insured policies in Kentucky, excluding Medicaid and state employees, due to the increased costs for health plans.

The proposed BR 247, 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. The proposed legislation for all insured health benefit plan coverages, excluding Medicaid and state employees, is not expected to materially increase administrative expenses of Insurers.

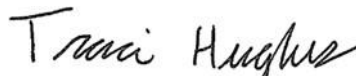
Our analysis included the use of data and statistics from 2020 L&E Medical Manual, actuarial judgement, and a 2019 Annual Data Report provided by DOI. L&E made several assumptions in performing the analysis. Several of these assumptions are subject to material uncertainty and it is not unexpected that actual results could materially differ from these estimates if a more in-depth analysis were to be performed.

We acknowledge that there is potential for long term savings if these alternative chronic pain treatments are utilized over Schedule II and III substances. However, we do not have any statistically credible studies to refer to and have decided not to include any savings estimates in our analysis at this time.

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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2/10/2021

(Signature of Commissioner/Date)