

**Kentucky Department of Insurance
Financial Impact Statement**

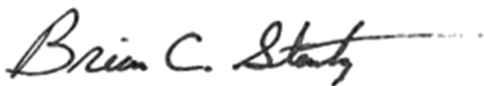
- I. Mandating health insurance coverage of BR 831 / HB 95 HCS, will increase premiums, based upon our analysis of the proposed mandate and our experience with similar health insurance benefits. The mandate requires cost sharing for a covered prescription insulin drug to not exceed \$30 per 30-day supply, regardless of the amount or type of insulin needed to meet the covered person's insulin needs. Nothing in the bill prohibits an Insurer from establishing cost-sharing requirements for covered prescriptions insulin drugs below the amount specified above. Our estimated increase in premiums for health benefit plans, not including state employee plans, is approximately \$0.00 to \$0.80 per member per month (PMPM). This represents an increase of approximately 0.0% to 0.1% or approximately \$0 to \$3.6 million for all fully insured policies in Kentucky, excluding Medicaid and state employees, due to the increased costs for health plans.

The proposed BR 831 / HB 95 HCS, 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 \$0.80 per member per month (PMPM). This represents an increase of approximately 0.0% to 0.1% or approximately \$0 to \$3.6 million for all fully insured policies in Kentucky, excluding Medicaid and state employees, due to the increased costs for health plans.

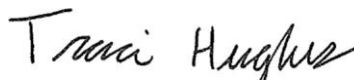
The proposed BR 831 / HB 95 HCS, as described above, is not expected to materially increase administrative expenses of insurers, based upon our analysis of the proposed mandate and our experience with similar health insurance benefits. The proposed legislation for all insured health benefit plan coverages, excluding Medicaid and state employees, is not expected to materially increase administrative expenses of Insurers. It is our assumption that Insurers will have this information readily available and the additional administrative requirements imposed by this mandate would not significantly impact the administrative costs relative to current levels.

Our analysis included the use of data and statistics from Kaiser Family Foundation, The Center for Disease Control (CDC), 2019 KY URRTs, 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.

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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February 11, 2021



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2/12/2021

(Signature of Commissioner/Date)