

Kentucky Department of Insurance
Financial Impact Statement

- I. Mandating health insurance coverage of BR 309/HB 317 GA, is not expected to materially increase premiums, based upon our analysis of the proposed mandate and our experience with similar health insurance benefits. Kentucky currently mandates all health benefit plans to accept and count towards an Insured's applicable premium and cost-sharing requirements, any payments made on behalf of an insured by certain qualifying government programs, tribal organizations, or tax-exempt organizations. This proposed amendment stipulates that if the contributing organization is not a church or convention or association of churches, that it must comply with one of the following:
- a. The organization does not receive funding in any form from a health care provider;
 - b. Any premium assistance offered by the organization is sufficient to cover the insured's premium payments for a full plan year;
 - c. The organization has been issued an advisory opinion under 42 U.S.C. sec. 1320a7d(b) determining that the: (1) program conducted by the organization is not prohibited renumeration in violation of federal law; (2) program conducted by the organization would no constitute grounds for the imposition of civil monetary penalties under 42 U.S.C. 1320a-7a(a)(5); and (3) issuing agency would not impose sanctions in connection with the program conducted by the organization.

Our analysis includes health benefit plans, for all fully insured policies in Kentucky, excluding Medicaid and state employees.

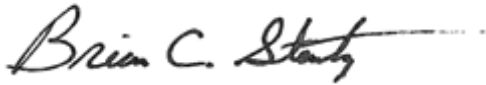
The proposed BR 309/HB 317, as described above, not expected to materially increase the total cost of health care in the Commonwealth, based upon our analysis of the proposed mandate and our experience with similar health insurance benefits. Our analysis includes health benefit plans, for all fully insured policies in Kentucky, excluding Medicaid and state employees.

The proposed BR 309/HB 317, 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 includes health benefit plans, for all fully insured policies in Kentucky, excluding Medicaid and state employees.

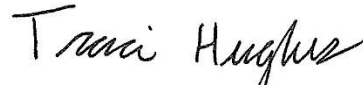
Our analysis included the use of data and statistics from CMS, a 2020 Annual Data Report provided by DOI, review of 45 CFR § 156.1250 and actuarial judgement.

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 extent to which insurers are currently declining coverage and premium revenue due to premiums being paid by charitable foundations, and the extent to which insurer are currently counting charitable contributions towards and insured's cost-sharing requirement.

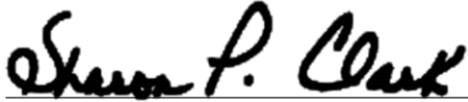
Disclosure: Due to the material disclosure requirements required therein, we must acknowledge that the content of this report may not comply with Actuarial Standard of Practice No. 41 Actuarial Communications.



Brian Stentz, A.S.A. M.A.A.A.
LEWIS & ELLIS, INC.
January 27, 2022



Traci Hughes, F.S.A. M.A.A.A.
LEWIS & ELLIS, INC.
January 27, 2022



(Signature of Commissioner/Date)
FIS Actuarial Form 6-03