

**Kentucky Department of Insurance
Financial Impact Statement**

- I. Mandating health insurance coverage of BR 77 / SB 293, will increase premiums, based upon our analysis of the proposed mandate and our experience with similar health insurance benefits. The mandate requires that a health benefit plan provide coverage, as defined annually by the commissioner, for hearing aids and related services. At a minimum the commissioner-set coverage requirements and limits shall cover reasonable and customary hearing aids without cost sharing. Our estimated increase in premiums for health benefit plans, not including state employee plans, is approximately \$0.00 to \$0.72 per member per month (PMPM). This represents an increase of approximately 0.0% to 0.1% or approximately \$0.0 to \$3.4 million for all fully insured policies in Kentucky, excluding Medicaid and state employees, due to the increased costs for health plans.

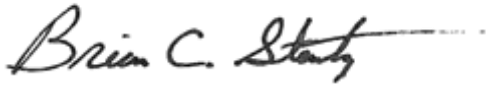
The proposed BR 77 / SB 293, as described above, will increase the total cost of health care in the Commonwealth, based upon our analysis of the proposed mandate and our experience with similar health insurance benefits. Our estimated increase in the total cost of health care in the Commonwealth for health benefit plans, is approximately \$0.00 to \$0.72 per member per month (PMPM). This represents an increase of approximately 0.0% to 0.1% or approximately \$0.0 to \$3.4 million for all fully insured policies in Kentucky, excluding Medicaid and state employees, due to the increased costs for health plans.

The proposed BR 77 / SB 293, 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), The National Institute for Deafness and Other Communication Disorders, Johns Hopkins, The Hearing Loss Association of America, Forbes Health, The Healthy Hearing Report, KY Affordable Care Act (ACA) filings for plan year 2022, actuarial judgement, and a 2020 Annual Data Report provided by 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, 1) data limitations, 2) the potential changes in available health benefit plan options and 3) the impact this bill may have on pharmacy fee arrangements.

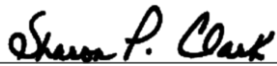
Disclosure: Due to the material disclosure requirements required therein, we must acknowledge that the content of this report may not comply with Actuarial Standard of Practice No. 41 Actuarial Communications.



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LEWIS & ELLIS, INC.
March 17, 2022



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March 17, 2022



3/18/22

(Signature of Commissioner/Date)

FIS Actuarial Form 6-03