

**Kentucky Department of Insurance
Financial Impact Statement**

- I. Mandating health insurance coverage of BR 144, will increase premiums, based upon our analysis of the proposed mandate and our experience with similar health insurance benefits. The mandate requires coverage, without cost sharing, of all FDA-approved contraceptive drugs, devices, and products. This includes prescribed contraceptives, over the counter contraceptives, contraceptive dispensed at a provider's office, voluntary sterilization, patient education and counseling, and follow-up services for management of side effects, counseling on adherence, and device insertion or removal. A religious employer may request a health benefit plan without this coverage and will be required to provide written notice to covered person's listing the contraceptives the employer refused to cover for religious reasons. Our estimated increase in premiums for health benefit plans, not including state employee plans, is approximately \$0.00 to \$0.69 per member per month (PMPM). This represents an increase of approximately 0.0% to 0.1% or approximately \$0 to \$3.3 million for all fully insured policies in Kentucky, excluding Medicaid and state employees, due to the increased costs for health plans.

The proposed BR 144, 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 \$0.69 per member per month (PMPM). This represents an increase of approximately 0.0% to 0.1% or approximately \$0 to \$3.3 million for all fully insured policies in Kentucky, excluding Medicaid and state employees, due to the increased costs for health plans.

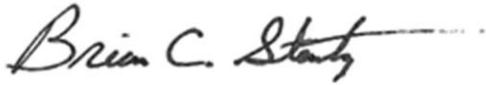
The proposed BR 144, as described above, is not expected to materially increase administrative expenses of insurers, based upon our analysis of the proposed mandate and our experience with similar health insurance benefits. The proposed legislation for all insured health benefit plan coverages, excluding 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 The Center for Disease Control (CDC), California Health Benefit Review "Analysis of California Senate Bill 523 Health Care Coverage: Contraceptives", The Affordable Care Act (ACA), Planned Parenthood, actuarial judgement, and a 2020 Annual Data Report provided by DOI. Under the ACA, plans must cover prescribed, FDA approved, contraceptive methods, excluding male sterilization, unless an employer is granted exception for religious reasons for its administered health plan. This was considered in estimating the fiscal impact range.

Note: It is acknowledged that there is potential for long-term savings if unintended pregnancies and sexually transmitted infections (STIs) are replaced with contraceptive use. This was considered in estimating the fiscal impact range, however, a full cost savings analysis was not included due to time and financial constraints.

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.

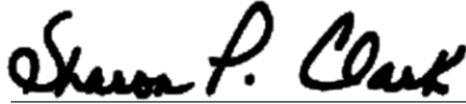
Disclosure: Due to the material disclosure requirements required therein, we must acknowledge that the content of this report may not comply with Actuarial Standard of Practice No. 41 Actuarial Communications.



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LEWIS & ELLIS, INC.
October 5, 2022



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October 5, 2022



10/6/22

(Signature of Commissioner/Date)

FIS Actuarial Form 6-03