

**Kentucky Department of Insurance
Financial Impact Statement
HM Statement SB 284**

- I. Mandating health insurance coverage of BR 1144/SB 284, will increase premiums, based upon our analysis of the proposed mandate and our experience with similar health insurance benefits. The mandate requires that health benefit plans provide coverage for positron emission tomography (PET) scans ordered by a provider for the treatment or diagnosis of a covered health condition without any utilization management requirements such as prior authorization or requirements that it be provided on an outpatient basis. Our estimated increase in premiums for health benefit plans, not including state employee plans, is approximately \$0.00 to \$0.57 per member per month (PMPM). This represents an increase of approximately 0.0% to 0.1% or approximately \$0.0 to \$2.1 million for all fully insured policies in Kentucky, excluding Medicaid and state employees, due to the increased costs for health plans.

The proposed BR 1144/SB 284, 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 \$0.57 per member per month (PMPM). This represents an increase of approximately 0.0% to 0.1% or approximately \$0.0 to \$2.1 million for all fully insured policies in Kentucky, excluding Medicaid and state employees, due to the increased costs for health plans.

The proposed BR 1144/SB 284, 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 Kaiser Family Foundation, Statista, New Choice Health, recent KY QHP filings, actuarial judgement, and a 2021 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.

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



Traci Hughes, F.S.A. M.A.A.A.
LEWIS & ELLIS, INC.
March 8, 2023



Robert Dorman, A.S.A. M.A.A.A.
LEWIS & ELLIS, INC.
March 8, 2023



3/8/23