

Kentucky Department of Insurance
Financial Impact Statement

- I. Mandating health insurance coverage of BR 442/HB 10 SCS 1, will increase premiums, based upon our analysis of the proposed mandate and our experience with similar health insurance benefits. The mandate requires:
- (a) a special enrollment period for pregnant individuals, and any individual who is eligible for coverage because of a relationship to a pregnant woman, at any time during the pregnancy or for a limited time as required under federal law beginning on the date that the pregnant individual receives confirmation of the pregnancy from a medical professional. The mandate applies only to insurers offering a health benefit plan in the individual market, including student health plans, and operating in the Kentucky Individual Exchange.
 - (b) health benefit plans, except for grandfathered group health plans, provide coverage:
 - i. to pregnant and postpartum women for in-home program treatment for substance use disorder.
 - ii. For maternity care associated with pregnancy, childbirth, and postpartum care, including coverage for these services access through telehealth or digital health.
 - (c) health benefit plans must provide coverage for perinatal palliative care programs and support services. However, this mandated coverage for perinatal palliative care programs and support services shall not apply if it is determined that the state must make payments to defray the cost of the requirement under 42 U.S.C 18031(d)(3) and 45 C.F.R. 155.170, as amended.

Our estimated increase in premiums for health benefit plans, not including state employee plans, is approximately \$0.00 to \$1.09 per member per month (PMPM). This represents an increase of approximately 0.0% to 0.1% or approximately \$0.0 to \$4.8 million for all fully insured policies in Kentucky, excluding Medicaid and state employees, due to the increased costs for health plans.

The proposed BR 442/HB 10 SCS 1, 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 \$1.09 per member per month (PMPM). This represents an increase of approximately 0.0% to 0.1% or approximately \$0.0 to \$4.8 million for all fully insured policies in Kentucky, excluding Medicaid and state employees, due to the increased costs for health plans.

The proposed BR 442/HB 10 SCS 1, 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 Census, a California Fiscal Impact Statement for AB1102, PY2024 KY ACA major medical SERFF filing plan and benefits templates, actuarial judgement, and a 2022 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.



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March 26, 2024



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(Signature of Commissioner/Date)

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