

Kentucky Department of Insurance
Financial Impact Statement
HM Statement for 24 RS BR 278/HB 115 GA

1. Mandating health insurance coverage of BR 278 will increase premiums, based upon our analysis of the proposed mandate and our experience with similar health insurance benefits. The mandate requires no cost sharing for breast cancer screening tests, diagnostic exams, and supplemental exams, which includes follow-up screenings, tests, and procedures prior to diagnosis. 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 to \$2.5 million for all fully insured policies in Kentucky, excluding Medicaid and state employees, due to the increased costs for health plans.

The proposed BR 278 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 to \$2.5 million for all fully insured policies in Kentucky, excluding Medicaid and state employees, due to the increased costs for health plans.

The proposed BR 278, 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 Cancer Statistics Center, The National Library of Medicine, California Fiscal Impact Statements for SB974, actuarial judgement, and a 2023 Annual Data Report provided by DOI.

Note: It is acknowledged that there is potential for long-term savings due to increased affordability and accessibility to cancer diagnostic testing which could lead to earlier detection of cancer. This was considered in estimating the fiscal impact range, however, a full cost savings analysis was not included due to time and budget constraints, a full and in-depth analysis was not performed.

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