FIS Actuarial Form 6-03

Kentucky Department of Insurance
Financial Impact Statement

I. Mandating health insurance coverage of BR 199/SB 111 HCS, is not expected to materially increase premiums, based upon our analysis of the proposed mandate and our experience with similar health insurance benefits. The mandate requires coverage for habilitative and rehabilitative speech therapy as treatment for stuttering, including telehealth coverage, with no maximum annual benefit limits or utilization review requirements. Our analysis includes health benefit plans, for all fully insured policies in Kentucky, excluding Medicaid and state employees.

The proposed BR 199/SB 111 HCS, as described above, is not expected to materially 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 analysis includes health benefit plans, for all fully insured policies in Kentucky, excluding Medicaid and state employees.

The proposed BR 199/SB 111 HCS, 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 Mayo Clinic Health, The National Library of Medicine, US Population statistics, 2022 L&E Medical Manual, actuarial judgement, and a 2022 Annual Data Report provided by DOI.

Note: BR 199/SB 111 HCS states that the mandated coverage 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.

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

Traci Hughes, F.S.A. M.A.A.A.
LEWIS & ELLIS, LLC.
March 14, 2024

Robert Dorman

Robert Dorman A.S.A. M.A.A.A.
LEWIS & ELLIS, LLC.
March 14, 2024

Sharon P. Clark

3/14/2024

(Signature of Commissioner/Date)

FIS Actuarial Form 6-03