

Kentucky Department of Insurance
Financial Impact Statement
HM Statement 24 RS SB 34/BR 8

1. Mandating health insurance coverage of BR 8. will increase premiums, based upon our analysis of the proposed mandate and our experience with similar health insurance benefits. The mandate requires a special enrollment period for pregnant individuals at any time during the pregnancy or for a limited time as required under federal law beginning on the date that the pregnant individual reports the pregnancy to the insurer. The mandate applies only to insurers offering a health benefit plan in the individual market and/or operating in the Kentucky Individual Exchange. 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 8, 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 8, 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 AB 1 102, 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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January 8, 2024

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

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January 8, 2024