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Kentucky Department of Employee Insurance
State Employee Health Plan Impact Statement
BR 1414 / HB 745 – Public Health and Safety
February 26, 2025

Mandating health insurance coverage as required by HB 745 is expected to increase premiums, based upon the analysis of our third-party administrator ("TPA"), Anthem, of the proposed mandate and experience with similar health insurance benefits. The proposed mandate requires that health benefit plans, including the Kentucky Employees' Health Plan ("KEHP"), provide coverage for any directed or autologous blood transfusions without copay, coinsurance, deductibles, or any other cost-sharing requirements.

The estimated annual cost increase to KEHP is $34,000, effective in Plan Year 2026. This represents an increased cost of $0.24 per planholder/employee based on current enrollment and utilization. (Note that coverage without cost-sharing is likely to result in increased utilization at levels that are difficult to forecast, and no such assumption was included in this analysis.) Because the KEHP trust is funded by employee and employer premium contributions, this amount will necessitate an increase in plan premiums to be borne by the same.

Our analysis is limited to the impact on KEHP.

Disclosure: Estimated impacts for KEHP on a per-member-per-month basis may be lower than would otherwise apply to a smaller health plan in the commercial space, due to the benefits of a larger risk pool, the nature of existing KEHP coverages, the use of tailored cost avoidance programs, and/or the ability to have greater purchasing power in the marketplace. Estimates are based on recent KEHP enrollment data which is subject to change.

Disclosure: Anthem made several assumptions in performing the analysis. Several of these assumptions are subject to uncertainties about future utilization and changes, 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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Christopher M.A. Chamness
Commissioner
Department of Employee Insurance