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**Kentucky Department of Employee Insurance  
State Employee Health Plan Impact Statement  
BR 287/SB 74 - Mental Health Wellness Exams  
January 17, 2025**

Mandating health insurance coverage as required by SB 74 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 mental health wellness exams without cost sharing. While KEHP currently covers medically necessary mental health wellness exams, these examinations are provided with applicable cost-sharing.

The estimated annual cost increase to KEHP is \$5.1 million, effective in Plan Year 2026. This represents an increased cost of \$35.76 per planholder/employee based on current enrollment. 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. Based on the current plan design and enrollment, the plan would have to increase premiums by up to \$35.76 as a result of SB 74. This total amount or a portion thereof may be passed to public employees as an increase to employee contributions.

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 medical costs, 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