



Andy Beshear
GOVERNOR

PERSONNEL CABINET

501 High Street, 3rd Floor
Frankfort, Kentucky 406 01
Phone: (502) 564 -7430
Fax: (502) 564 -7603

Mary Elizabeth Bailey
SECRETARY

**Kentucky Department of Employee Insurance
Fiscal Impact Statement
SB 97 SCS 1 (BR 1263) – Coverage for Prostheses and Orthoses
March 12, 2026**

Mandating health insurance coverage as required by SB 97 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”), cover a prosthetic and orthotic devices at a level beyond referenced federal regulations and without cost sharing.

The estimated annual cost increase to KEHP is \$730,000 effective in Plan Year 2028. This represents an annual increased cost of \$5.14 per planholder/employee based on current enrollment. (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.

SCS 1 made modest modifications to the filed bill, notably removing out-of-network protections and the athletic parity clause, modifying network requirements, and adding ACA cost-defrayal safeguards and a device cap. It also delayed the effective date by one year. This change does not alter the original fiscal impact of the bill other than to delay the impact.

Our analysis is limited to the impact on KEHP.

Disclosure: Estimated impacts for KEHP on a per-member 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 from recent rebate history, 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.



Christopher M.A. Chamness
Commissioner
Department of Employee Insurance