

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

Regulation: 806 KAR 17:150

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(1) Provide a brief summary of:

(a) What this administrative regulation does: This administrative regulation establishes procedures for filing health benefit plan rates so the Commissioner will have relevant information to approve or disapprove a rate filing.

(b) The necessity of this administrative regulation: KRS 304.17A-095 authorizes the Commissioner to promulgate an administrative regulation to obtain relevant information for health benefit plan rate filings and set forth the format for the filings. This administrative regulation is needed to ensure that health benefit plans provide the required information necessary for the commissioner to approve or disapprove rate filings.

(c) How this administrative regulation conforms to the content of the authorizing statutes: KRS 304.2-110(1) authorizes the commissioner to promulgate administrative regulations necessary for or as an aid to the effectuation of any provision of the Kentucky Insurance Code, as defined by KRS 304.1-010. KRS 304.17A-095(7) authorizes the commissioner to promulgate an administrative regulation to obtain relevant information for health benefit plan rate filings and to set forth the format of the filings. This administrative regulation establishes procedures for filing health benefit plan rates so the commissioner will have relevant information to approve or disapprove the rate filing.

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: This administrative regulation will enable the commissioner to receive the information required to approve or disapprove a health benefit plan rate filing as required by KRS 304.17A-095.

(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:

(a) How the amendment will change this existing administrative regulation: The amendments filed in this administrative regulation include amending outdated language to meet the statutory requirements on Chapter 13A. Other amendments include incorporating previous materials into the regulation, update market segments, establishing a requirement for forms to be submitted electronically using SERFF system. The amendments also reflect the new adoption dates of the materials incorporated by reference.

- (b) The necessity of the amendment to this administrative regulation:
- (c) How the amendment conforms to the content of the authorizing statutes: KRS 304.2-110(1) authorizes the commissioner to promulgate administrative regulations necessary for or as an aid to the effectuation of any provision of the Kentucky Insurance Code, as defined by KRS 304.1-010. KRS 304.17A-095(7) authorizes the commissioner to promulgate an administrative regulation to obtain relevant information for health benefit plan rate filings and to set forth the format of the filings. This administrative regulation establishes procedures for filing health benefit plan rates so the commissioner will have relevant information to approve or disapprove the rate filing.
- (d) How the amendment will assist in the effective administration of the statutes: this administrative regulation will continue to enable the commissioner to receive the information required to approve or disapprove a health benefit plan rate filing as required by KRS 304.17A-095
- (3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation: This will affect licensed insurers writing health insurance in Kentucky.
- (4) Provide an analysis of how the entities identified in the previous question will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:
- (a) List the actions each of the regulated entities have to take to comply with this regulation or amendment: Insurers will be required to file information in conformity with current law regarding health insurance rates needed by the commissioner to determine whether the rates should be approved or disapproved. The insurers will be responsible for copying and delivery costs. Because insurers are currently required to file information under 806 KAR 17:150, the costs to the insurers for filing under this amendment should not increase significantly, if at all.
- (b) In complying with this administrative regulation or amendment, how much will it cost each of the entities: The insurer is responsible for the applicable filing fee. Copying and delivery costs.
- (c) As a result of compliance, what benefits will accrue to the entities: If the insurer writing the plan meets formatting requirement set in this administrative regulation as well as specified statutes the commissioner shall approve the filing. If the requirements set forth are not met, the commissioner may disapprove the filing.
- (5) Provide an estimate of how much it will cost the administrative body to implement this administrative regulation:

- (a) Initially: Implementation of this amendment is not anticipated to have an initial cost on the Department of Insurance.
- (b) On a continuing basis: Implementation of this amendment is not anticipated to have an on-going cost on the Department of Insurance.
- (6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: The Department will use funds from its current operational budget to perform the tasks necessary.
- (7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment:
- (8) State whether or not this administrative regulation established any fees or directly or indirectly increased any fees:
- (9) TIERING: Is tiering applied? Explain why or why not. Tiering is not applied because this administrative regulation applied to all insurers licensed to issue, deliver, or renew health benefit plans in Kentucky.

FISCAL NOTE ON STATE OR LOCAL GOVERNMENT

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(1) What units, parts or divisions of state or local government (including cities, counties, fire departments, or school districts) will be impacted by this administrative regulation? The Department of Insurance as the implementer.

(2) Identify each state or federal statute or federal regulation that requires or authorizes the action taken by the administrative regulation. KRS 304.2-110(1), 304.17A-095(7)

(3) Estimate the effect of this administrative regulation on the expenditures and revenues of a state or local government agency (including cities, counties, fire departments, or school districts) for the first full year the administrative regulation is to be in effect. If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation.

(a) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for the first year? No revenue is expected to be generated.

(b) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for subsequent years? No revenue is expected to be generated.

(c) How much will it cost to administer this program for the first year? No cost is expected.

(d) How much will it cost to administer this program for subsequent years? No cost is expected.

Note: If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation.

(4) Revenues (+/-): Neutral

(5) Expenditures (+/-): Neutral

(6) Other Explanation: