

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

Regulation: 806 KAR 17:511

Contact Person: Abigail Gall

Phone: +1 (502) 564-6026

Email: Abigail.gall@ky.gov

(1) Provide a brief summary of:

(a) What this administrative regulation does: 806 KAR 17:511 repeals 806 KAR 17:005, 806 KAR 17:095, 806 KAR 17:170, 806 KAR 17:180, and 806 KAR 17:510.

(b) The necessity of this administrative regulation: This administrative regulation is necessary to repeal administrative regulation 806 KAR 17:005, 806 KAR 17:095, 806 KAR 17:170, 806 KAR 17:180, and 806 KAR 17:510.

(c) How this administrative regulation conforms to the content of the authorizing statutes: KRS 304.2-110 authorizes the Commissioner of the Department of Insurance to promulgate regulations to aid in the effectuation of any provision of the Insurance Code, as defined in KRS 304.1-010. KRS 13A.310 requires that an administrative regulation, once adopted, cannot be withdrawn, but shall be repealed if it is desired that it no longer be effective

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: By repealing 806 KAR 17:005, the Department is incorporating the previously incorporated forms into the corresponding administrative regulations. By repealing 806 KAR 17:095, the Department is removing any limitations of provider's rights under statute KRS 304.17A-149. 806 KAR 17:170 removes definitions that were once emerging and are now readily available and understood outside of the Insurance Code. KRS 304.17A-250(1) no longer requires the Commissioner to define standard health benefit plan, and thus the repeal of 806 KAR 17:180 is necessary. The repeal of 806 KAR 17:510 shall remove the requirements of a health benefit plan exclusionary rider.

(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: This is not an amendment to an existing administrative regulation.

(b) The necessity of the amendment to this administrative regulation: This is not an amendment to an existing administrative regulation.

(c) How the amendment conforms to the content of the authorizing statutes: This is not an amendment to an existing administrative regulation.

(d) How the amendment will assist in the effective administration of the statutes: This is not an amendment to an existing administrative regulation.

- (3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation: The Department as the implementer.
- (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: There are no necessary actions to comply with the regulation.
- (b) In complying with this administrative regulation or amendment, how much will it cost each of the entities: There is no cost associated with this administrative regulation.
- (c) As a result of compliance, what benefits will accrue to the entities: There will be less limitation on providers.
- (5) Provide an estimate of how much it will cost the administrative body to implement this administrative regulation: It will cost no money to implement this repealer.
- (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: An increase of fees will not be necessary because additional personnel is likely unnecessary.
- (8) State whether or not this administrative regulation established any fees or directly or indirectly increased any fees: This administrative regulation does not establish any fees.
- (9) TIERING: Is tiering applied? Explain why or why not. Tiering is not necessary to this administrative regulation, as it's purpose is only to repeal the listed regulations.

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 Kentucky Department of Insurance.

(2) Identify each state or federal statute or federal regulation that requires or authorizes the action taken by the administrative regulation. KRS 13A.310, KRS 304.2-110

(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? The administrative regulation will not generate any revenue for state or local government.

(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? The administrative regulation will not generate any revenue for state or local government.

(c) How much will it cost to administer this program for the first year? The cost to administer the program is indeterminable.

(d) How much will it cost to administer this program for subsequent years? The cost to administer the program is indeterminable.

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: The program including receipt and review of annual audited financial statements will be handled by internal personnel. At this point, the Department anticipates all duties will be handled by current personnel.