

## PURPOSE OF BILL: HB 1290

To mandate coverage for mental health wellness examinations; and to establish the Arkansas Support of Mental Health Wellness Examinations Act.

## ACTUARIAL STATEMENT

The Fiscal Impact Statement was prepared according to generally accepted actuarial principles and practices, in compliance with ACT 112. The Statement provides an estimate of the financial and actuarial effect of the proposed change(s) on the Plans, if possible. The Statement makes no comment or opinion with regard to the merits of the measure for which the Statement is prepared; however, any identified technical or mechanical defects have been noted.

We have reviewed the input and results of our analysis for reasonableness and relied upon the data and information provided by the Plans and their Claims Processing Contractors.

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4/10/2025

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Patrick Klein, FSA, MAAA  
Vice President, Segal

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Date

A handwritten signature in black ink, appearing to read "Matthew Kersting".

4/10/2025

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Matthew Kersting, FSA, MAAA  
Vice President, Segal

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Date

## PROJECTED COSTS

Plan	Plan Design Change	Annual Cost Estimate
EBD	Covering annual standalone mental health wellness examination with cost-sharing	\$400,000 - \$750,000

## PRICING APPROACH AND COMMENTS

House Bill 1290 requires coverage for an annual standalone mental health wellness examination that is performed by a licensed mental health professional. The bill requires coverage for the examination to be no less extensive than the coverage provided for preventive services or primary care benefits under a health benefit plan. A few other states have recently adopted similar laws. Currently EBD covers mental health visits. The mental health wellness examinations outlined in this bill is a separate service.

The amendment on April 7, 2025 requires cost-sharing for a health benefit plan issued by a healthcare insurer to a state entity. We interpret this condition to apply to EBD. Initially, we used Segal's book of business data to determine the costs and utilization of this exam. The full cost of standalone mental health wellness examination is projected to be around \$180 in CY 2026. This amount would be reduced by the member cost share as determined by EBD. The cost sharing for the plan's current designs is roughly 20%. Utilization is expected to fluctuate between 20 and 40 exams per 1,000 members for the first few years.

Therefore, total projected plan cost to EBD is between \$400,000 and \$750,000, or 0.07% - 0.13% of medical claims. This is a 20% reduction of the \$500,000 - \$900,000 estimate from our initial fiscal note.