

**Department of Planning and Budget**  
**2004 Fiscal Impact Statement**

**1. Bill Number** HB935

**House of Origin**    ☒ Introduced    ☐ Substitute    ☐ Engrossed

**Second House**    ☐ In Committee    ☐ Substitute    ☐ Enrolled

**2. Patron**        Marshall, D.W.

**3. Committee**    Commerce and Labor

**4. Title**            State mandated health insurance; Consumer Choice Benefits Plan Act.

**5. Summary/Purpose:**

Creates the Consumer Choice Benefits Plan Act, which permits companies offering accident or sickness insurance policies or plans to offer a policy or plan that, in whole or in part, does not offer or provide state-mandated health benefits.

**6. No Fiscal Impact**

**7. Budget amendment necessary:** No

**8. Fiscal implications:** The Department of Human Resource Management indicates that the proposed legislation would not impact the state employee health insurance program or the Local Choice health insurance program (or other self-insured plans). Therefore, there is no direct fiscal impact to the Commonwealth associated with this bill. However, for those plans that this bill does impact there may be cost. Specifically, a less expensive plan that provides fewer coverage, will attract younger and healthier individuals. The result may be that the primary plan (that includes all mandated coverages) will contain a higher percentage of individuals that perceive that such coverages will be needed (perhaps older and/or less healthy individuals). This may cause the cost of premiums for the primary plan to increase (this is known as "adverse selection").

**9. Specific agency or political subdivisions affected:** No

**10. Technical amendment necessary:** No

**11. Other comments:** This bill is similar to SB679.

**Date:** 1/27/04

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cc: Secretary of Administration