

Department of Planning and Budget 2004 Fiscal Impact Statement

1. Bill Number SB679

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron Martin

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 HB935.

Date: 1/27/04

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cc: Secretary of Administration