

State Corporation Commission 2006 Fiscal Impact Statement

1. Bill Number SB525

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron Newman

3. Committee Commerce and Labor

4. Title Health maintenance organizations.

5. Summary/Purpose: Allows any insurance company or health services plan that organizes and operates a health maintenance organization (HMO) to become licensed as an HMO.

6. No Fiscal Impact on the State Corporation Commission

7. Budget amendment necessary: No

8. Fiscal implications: None on the State Corporation Commission

9. Specific agency or political subdivisions affected: State Corporation Commission Bureau of Insurance

10. Technical amendment necessary: Title 38.2 does not provide for dual licensing for one company as both an HMO and an accident and sickness insurer. The Bureau of Insurance has agreed to work with the interested party to craft language to permit entities licensed as HMOs under Chapter 43 of Title 38.2 to also hold an accident and sickness line-of-business authority, which would require the creation of a new article in Chapter 1 of Title 38.2. Staff of the Bureau believes that such an approach would achieve the purpose of the patron's legislation, and parties will work together to craft the appropriate amendment in the nature of a substitute to Senate Bill 525.

11. Other comments: None

Date: 01/29/06 / V. Tompkins

cc: Secretary of Commerce and Trade
Secretary of Health and Human Resources