Department of Planning and Budget
2009 Fiscal Impact Statement

1. **Bill Number:** HB1960

House of Origin	X	Introduced	___	Substitute	___	Engrossed
Second House	___	In Committee	___	Substitute	___	Enrolled

2. **Patron:** Mathieson

3. **Committee:** Appropriations

4. **Title:** **Line of Duty Act; continued health insurance coverage.**

5. **Summary:** This bill prohibits the entity employing a disabled employee or qualified beneficiary of a deceased employee from (i) terminating membership in any health care plan in place for such employee or beneficiary or (ii) refusing to reenroll or otherwise continue health care coverage for such employee or beneficiary upon notification by the Office of the Comptroller that the requirements for continued health care coverage under the Line of Duty Act have been satisfied.

6. **Fiscal Impact Estimates:** Preliminary.

6a. Expenditure Impact:

Fiscal Year	***Dollars***	***Positions***	***Fund***
2009	$0	n/a	n/a
2010	($234,000)	n/a	GF
2011	($234,000)	n/a	GF
2012	($234,000)	n/a	GF
2013	($234,000)	n/a	GF
2014	($234,000)	n/a	GF
2015	($234,000)	n/a	GF

7. **Budget Amendment Necessary:** No.

8. **Fiscal Implications:** This bill prohibits an agency, department, or locality from terminating or refusing reenrollment of any health care plan to a disabled employee, or beneficiary of a deceased employee, upon learning that they are receiving Line of Duty benefits.

According to the Department of Accounts (DOA), this bill would improve their ability to find insurance coverage for the recipients of insurance benefits related to the Line of Duty Act. DOA also anticipates that this bill could lower the costs to the state of providing the insurance benefits, due to the fact that the plan in which the employee participated previously would be less expensive than an individually-purchased insurance plan. An individually-purchased insurance plan is the only remedy for insurance coverage when a locality prohibits the employee insurance coverage under their plan.

DOA reports that there are currently 65 cases where the state is providing insurance benefits in place of localities, due to the localities refusing coverage as a result of learning that an employee qualifies for Line of Duty coverage. At an average cost of $1,200 per month, per policy, these cases cost $936,000 annually. As a result of this bill, DOA estimates this cost could decrease by as much as 25 percent, for an estimated savings of $234,000 a year.

The Department of Human Resource Management (DHRM) agrees with DOA that this bill could result in savings to the state.

9. Specific Agency or Political Subdivisions Affected: Department of Accounts Transfer Payments, local governments.

10. Technical Amendment Necessary: No.

11. Other Comments: The Department of Human Resource Management (DHRM) raises questions about implementation. For example, whether localities have the legal ability to accept certain employees back onto their coverage and localities may have to re-contract with their insurance providers, which could create additional costs for local governments.

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cc: Secretary of Finance