

Department of Planning and Budget 2009 Fiscal Impact Statement

1. Bill Number: HB2557

House of Origin	<u> X </u>	Introduced	<u> </u>	Substitute	<u> </u>	Engrossed
Second House	<u> </u>	In Committee	<u> </u>	Substitute	<u> </u>	Enrolled

2. Patron: Nixon

3. Committee: General Laws

4. Title: State employee health insurance plan; mandated benefits.

5. Summary: Provides that any law effective on or after July 1, 2009, that provides for an insurance mandate for policies of accident and health insurance shall also apply to health insurance plans for state employees. The measure also requires the Department of Human Resource Management to report to the Special Advisory Commission on Mandated Health Insurance Benefits on cost and utilization information for each of the mandated benefits. The Special Advisory Commission's analysis of a proposed private health insurance mandate shall not be deemed to be complete unless it includes an analysis of the Department's cost and utilization information for such mandate with respect to the state employee health insurance plan covering a period of not less than 12 months.

6. Fiscal Impact Estimates: Not Available

7. Budget Amendment Necessary: No

8. Fiscal Implications: This bill would have the effect of applying any new mandates approved during this session and future sessions of the General Assembly to the state employee health insurance plan. This potentially widespread application of mandates to the state employee plan will increase the cost of the plan which will likely result in premium increases for both the employee and the employer (including those funded through the general fund). The actual fiscal impact would not occur until other legislation mandating specific coverages is passed. It is not possible to predict how many such mandates will be approved this session and in future sessions, therefore the magnitude of the impact is not known.

9. Specific Agency or Political Subdivisions Affected: All state agencies, especially the state employee health insurance plan administered by the Department of Human Resource Management.

10. Technical Amendment Necessary: No

11. Other Comments: This bill is similar to SB 1351.

Date: 1/23/2009 JDH

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cc: Secretary of Administration