

Department of Planning and Budget 2009 Fiscal Impact Statement

1. Bill Number: HB2557

House of Origin	<input type="checkbox"/>	Introduced	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Engrossed
Second House	<input type="checkbox"/>	In Committee	<input type="checkbox"/>	Substitute	<input checked="" type="checkbox"/>	Enrolled

2. Patron: Nixon

3. Committee: Passed Both Houses

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.

6. Fiscal Impact Estimates: Final

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 coverage 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.

The bill may also create a small impact in the Department of Human Resource Management resulting from the need to produce an annual report of mandates and their impact on the state employee health insurance fund.

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: None

Date: 3/5/2009 JDH

Document: G:\FiscalImpactStatements\2009\HB2557-MandatedBenefits\HB2557ER.DOC

cc: Secretary of Administration