

## **Department of Planning and Budget 2010 Fiscal Impact Statement**

**1. Bill Number:** HB1130

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:** Keam

**3. Committee:** Commerce and Labor

**4. Title:** **Health insurance purchasing pool for small businesses**

**5. Summary:** Directs the Secretary of Administration, in cooperation with the Bureau of Insurance, to prepare a program design for a voluntary, public-private health insurance purchasing pool for businesses with 50 or fewer employees. The Secretary is directed to work with representatives of health insurers, insurance agents, health care providers, and small businesses in designing the program. The program design is required to be completed by January 1, 2012.

**6. Fiscal Impact Estimates:** Indeterminate

**7. Budget Amendment Necessary:** No

**8. Fiscal Implications:** This bill may create a fiscal impact on the State Corporation Commission and the Secretary of Administration and possibly other administration agencies such as the Department of Human Resource Management. This impact will come in the form of staff time and potential contractual services that will be required to develop the proposed plan. In particular, actuarial services will be required to create a pricing model for the new plan. In the past when new plans have been proposed to cover state and/or local employees, this cost has been estimated as \$50,000 to \$100,000. For this bill, it may be higher due to the fact that the target population of the new plan is unknown. It is unclear what source would be used to fund the design costs for the new plan proposed in the bill and to what extent at least some of the cost (for example, additional staff time) could be absorbed in light of recent reductions in agency budgets.

**9. Specific Agency or Political Subdivisions Affected:** All state agencies

**10. Technical Amendment Necessary:** No

**11. Other Comments:** None

**Date:** 2/2/2010 JDH

**Document:** G:\FiscalImpactStatements\2010\HB1130 Health insurance purchasing pool; SOA to prepare a program design for businesses with 50 or fewer\HB1130.doc

cc: Secretary of Administration