Department of Planning and Budget
2016 Fiscal Impact Statement

1. **Bill Number:** SB364-ER

House of Origin	☐	Introduced	☐	Substitute	☐ Engrossed
Second House	☐	In Committee	☐	Substitute	☒ Enrolled

2. **Patron:** Chafin

3. **Committee:** Passed Both Houses

4. **Title:** Local option health insurance plan.

5. **Summary:** Amends § 2.2-1204, Code of Virginia, to authorize the Department of Human Resource Management to establish a health insurance plan, similar to the state health insurance plan, for employees and retirees of local governments and school divisions and their dependents. The plan established by the Department may provide for a single rating group. The Department shall adopt regulations regarding the establishment of such plan, including, but not limited to, adverse experience adjustments. This bill incorporates SB384 (Vogel).

6. **Budget Amendment Necessary**: No.

7. **Fiscal Impact Estimates:** Final – see Item 8.

8. **Fiscal Implications:** The proposed legislation is not expected to have a fiscal impact for the state health insurance plan as it authorizes the Department to create a separate health insurance plan that will be similar to the state health insurance plan, for local employees, retirees, and their dependents, and may provide for a single rating group. The plan established by the Department will be separate from The Local Choice plan, which provides coverage to 340 groups, covering over 62,000 local employees, retirees, and their dependents. The agency may need additional staff as a result of establishing a separate health insurance plan; however, the number of additional staff that may be needed cannot be determined because the number of local governments and school divisions that would opt to join the health insurance plan is not known.

9. **Specific Agency or Political Subdivisions Affected:** Department of Human Resource Management, Administration of Health Insurance, local school divisions, and local governments.

10. **Technical Amendment Necessary:** No.

11. **Other Comments:** None.