

## Department of Planning and Budget 2016 Fiscal Impact Statement

**1. Bill Number:** SB384

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

**2. Patron:** Vogel

**3. Committee:** Finance

**4. Title:** State health insurance program; participation by certain local school division employees.

**5. Summary:** Provides for the participation by employees of a school division in the state employee health plan. If the local school board elects to participate in the state employee health plan, it must make the election no later than January 1, 2017, with an effective date of July 1, 2017, for an initial period of three consecutive plan years, and thereafter participation shall be renewable for additional three-year terms at the option of the local school board. The bill also provides that the total cost of participation shall be paid by the local school board and the employees of the school division.

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

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

**8. Fiscal Implications:** According to the Department of Human Resource Management, the agency may need additional staff as a result of including employees of the affiliated local school board in the state health insurance plan. The number of additional staff that may be needed cannot be determined because the number of local school boards that would adopt a resolution to join the state health insurance plan is not known. The Department has indicated this bill may also lead to adverse selection by permitting local school boards to opt out of the state employee health plan after three years.

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

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

**11. Other Comments:** This bill is similar to HB1215 (Kilgore), HB848 (Cline), and SB675 (Chafin).