

Department of Planning and Budget 2007 Fiscal Impact Statement

1. Bill Number HB2948

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron Wittman

3. Committee General Laws

4. Title State employee health plan.

5. Summary/Purpose: Requires the health insurance plan for state employees to provide coverage for intensity modulated radiation therapy of cancers and tumors when such treatment is performed pursuant to protocol dose volume constraints approved by the institutional review board of any United States medical teaching college or the National Cancer Institute.

6. Fiscal Impact Estimates are:

6a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2006-07	\$0	N/A	N/A
2007-08	\$945,529	N/A	General Fund Employer Premiums
2007-08	\$756,070	N/A	Nongeneral Fund Employer Premiums
2007-08	\$398,401	N/A	Employees and Pre-Medicare Retirees
2008-09	\$945,529	N/A	General Fund Employer Premiums
2008-09	\$756,070	N/A	Nongeneral Fund Employer Premiums
2008-09	\$398,401	N/A	Employees and Pre-Medicare Retirees
2009-10	\$945,529	N/A	General Fund Employer Premiums
2009-10	\$756,070	N/A	Nongeneral Fund Employer Premiums
2009-10	\$398,401	N/A	Employees and Pre-Medicare Retirees
2010-11	\$945,529	N/A	General Fund Employer Premiums
2010-11	\$756,070	N/A	Nongeneral Fund Employer Premiums
2010-11	\$398,401	N/A	Employees and Pre-Medicare Retirees
2011-12	\$945,529	N/A	General Fund Employer Premiums
2011-12	\$756,070	N/A	Nongeneral Fund Employer Premiums
2011-12	\$398,401	N/A	Employees and Pre-Medicare Retirees
2012-13	\$945,529	N/A	General Fund Employer Premiums
2012-13	\$756,070	N/A	Nongeneral Fund Employer Premiums
2012-13	\$398,401	N/A	Employees and Pre-Medicare Retirees

7. Budget amendment necessary: Yes, approximately \$945,529 would need to be added to Item 461 of the introduced budget to cover the general fund share of this cost increase.

8. Fiscal implications: Department of Human Resource Management (DHRM) analysis indicates that this bill would result an approximate 0.3 percent to 0.4 percent increase in the

cost of medical claims. This translates into a total cost increase of between \$1.6 million and \$2.1 million.

DHRM information also indicates that of the applicable patient pool, approximately forty percent would be candidates for intensity modulated radiation therapy and this therapy results in a cost that is approximately 91 percent greater than current treatments.

The amounts shown in item 6 above assumes a 0.4 percent increase (\$2.1 million cost). The added cost of this bill will result in increased health insurance premiums for state agencies and the individuals enrolled in the state employee health insurance program which consists of state employees and retired state employees not yet eligible for Medicare. The largest share of the increase will be covered through an increase in employer premiums paid by state agencies funded through both general and nongeneral fund sources. A smaller portion will be covered through an increase in the premiums paid by the employee and pre-Medicare retirees. The table in item 6 shows the estimated impact to the general fund sources, nongeneral fund sources, and state employees/pre-Medicare retirees.

9. Specific agency or political subdivisions affected: All state agencies

10. Technical amendment necessary: No

11. Other comments: None

Date: 1/16/2007/ JDH

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cc: Secretary of Administration