

Department of Planning and Budget

2008 Fiscal Impact Statement

1. Bill Number: HB83

House of Origin X Introduced Substitute Engrossed
 Second House In Committee Substitute Enrolled

2. Patron: Marshall, R.G.

3. Committee:

4. Title: **Children; insurance companies to provide coverage for habilitative services.**

5. Summary: Requires insurance companies to provide coverage for habilitative services for children.

6. Fiscal Impact Estimates:

6a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>		<i>Fund</i>
2008		\$0	N/A
2009	\$1,304,110	to \$3,912,330	General Fund
2009	\$1,045,460	to \$3,136,379	Nongeneral Fund-State Agencies
2009	\$550,430	to \$1,651,291	Employees and Pre-Medicare Retirees
2009	\$536,000	to \$1,600,000	The Local Choice Program
2010	\$1,304,110	to \$3,912,330	General Fund
2010	\$1,045,460	to \$3,136,379	Nongeneral Fund-State Agencies
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2013	\$550,430	to \$1,651,291	Employees and Pre-Medicare Retirees
2013	\$536,000	to \$1,600,000	The Local Choice Program
2014	\$1,304,110	to \$3,912,330	General Fund
2014	\$1,045,460	to \$3,136,379	Nongeneral Fund-State Agencies
2014	\$550,430	to \$1,651,291	Employees and Pre-Medicare Retirees
2014	\$536,000	to \$1,600,000	The Local Choice Program

7. Budget Amendment Necessary: Yes: At minimum, \$1,304,110 for FY 2009 and \$1,304,110 for FY 2010 would need to be added to Item 472 of the introduced budget to cover the general fund share of this cost increase. In addition, a minimum of \$536,000 in nongeneral fund appropriation each year would need to be added to Item 86 to cover the cost to the Local Choice program.

- 8. Fiscal Implications:** The state employee and Local Choice health insurance programs administered by the Department of Human Resource Management do not currently contain all of the coverages mandated by the provisions in this bill. The Department of Human Resource Management indicates that this bill would cost between \$2.9 million and \$8.7 million for the state employee program and \$536,000 and \$1.6 million for the Local Choice program. This increase in cost is primarily the result of increased therapy coverage.

The increase in cost would result in the need for an increase in the premiums charged to employers and employees. Of the total state employee program cost, \$1.3 million to \$3.9 million would be the cost to agencies funded with general fund dollars, \$1.0 to \$3.1 would be the cost to nongeneral fund agencies, and \$550,430 to \$1.7 million would be paid by employees and retirees not yet eligible for Medicare.

- 9. Specific Agency or Political Subdivisions Affected:** All state agencies and political subdivisions that offer health insurance to their employees.

10. Technical Amendment Necessary: No

11. Other Comments: N/A

Date: 1/16/2008 JDH

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