

Department of Planning and Budget 2013 Fiscal Impact Statement

1. **Bill Number:** HB 2138

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

2. **Patron:** Byron

3. **Committee:** Commerce and Labor

4. **Title:** Health Insurance Reform Commission created

5. **Summary:** The bill establishes the Health Insurance Reform Commission as a legislative commission. The duties of the commission will include monitoring the implementation of the federal Patient Protection and Affordable Care Act; determining whether Virginia should establish a state-run health benefit exchange; recommending what health benefits should be required to be included within the scope of the essential health benefits provided under health insurance products offered in the Commonwealth; and developing recommendations to increase access to health insurance coverage, ensure that the costs of health insurance coverage are reasonable, and encourage a robust market for health insurance products. The bill contains a sunset of July 1, 2017, for the commission.

The bill contains a second enactment clause that repeals the Special Advisory Commission on Mandated Health Insurance Benefits.

6. **Budget Amendment Necessary:** Yes.

7. **Fiscal Impact Estimates:** Final.

Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2013	\$0		
2014	\$11,400		
2015	\$11,400		
2016	\$11,400		
2017	\$11,400		
2018	\$0		
2019	\$0		

8. **Fiscal Implications:** The fiscal impact of this bill is from the per diem costs of legislative members and travel costs of all the members. The estimate is based upon 14 commission members comprised of eight legislative members, four nonlegislative citizen members and two ex officio members (the Secretary of Health and Human Resources and the Commissioner of Insurance). The bill does not specify how many meetings the commission shall have each year. The estimate in this bill assumes the commission will meet four times a

year. Based on this the compensation for the eight legislative members is \$6,400 a year (\$200 per day x 8 members x 4 meetings). The cost of the nonlegislative members is \$800 (\$50 per day x 4 members x 4 meetings).

Other expenses (i.e. travel) would vary depending upon where the members are traveling from in the state. This fiscal impact assumes an average of \$75 in expenses per meeting. Therefore, other expenses are estimated at \$4,200 per year (14 members x \$75 per meeting x 4 meetings).

The total fiscal impact resulting from this bill is estimated at \$11,400 per year. Since the bill sunsets the commission at the end of FY 2017, there is no fiscal impact beyond FY 2017. The bill provides that the expenses of the commission shall be paid from existing appropriations, of which there are none currently. If underfunded the Joint Rules Committee may approve funding. This estimate assumes an appropriation is necessary to fund the commission. Administrative staff support is to be provided by the Office of the Clerk of either the Senate or House of Delegates dependent on which chamber the Chairman of the commission serves. Any additional administrative costs on the Clerk's offices are indeterminate at this time.

The repeal of the Special Advisory Commission on Mandated Health Insurance Benefits will have a minimal impact on the State Corporation Commission, which is required by law to pay the compensation and expenses of the 18-member commission. Any savings is minimal and will be redirected for commission operations since their revenue is nongeneral fund.

9. Specific Agency or Political Subdivisions Affected: Division of Legislative Services, Department of Human Resource Management, and the State Corporation Commission.

10. Technical Amendment Necessary: No.

11. Other Comments: None.

Date: 1/23/13

Document: G:\GA Sessions\2013 Session\HB2138.docx