

## Department of Planning and Budget 2013 Fiscal Impact Statement

**1. Bill Number:** SB 866

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

**2. Patron:** Edwards

**3. Committee:** Commerce and Labor

**4. Title:** Mandated health insurance coverage for enteral formulas necessitated by short bowel syndrome

**5. Summary:** The bill requires health insurers, health care subscription plans, and health maintenance organizations to provide coverage, under a policy, contract, or plan that provides prescription drug coverage, for the cost of enteral formulas for home use by covered individuals who suffer from short bowel syndrome. Coverage applies if the covered individual's physician issues an order stating that the enteral formula is clearly medically necessary and has been proven effective as a treatment regimen for the covered individual and that the enteral formula is the primary source of nutrition. This coverage applies to policies, contracts and plans effective January 1, 2014. The mandate would apply to the state employees' health insurance plan and to the local choice health program.

**6. Budget Amendment Necessary:** Yes, Item 468.

**7. Fiscal Impact Estimates:** Preliminary.

**7a. Expenditure Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2014	\$105,292	0	GF
2014	\$90,963	0	NGF
2015	\$105,292	0	GF
2015	\$90,963	0	NGF
2016	\$105,292	0	GF
2016	\$90,963	0	NGF
2017	\$105,292	0	GF
2017	\$90,963	0	NGF
2018	\$105,292	0	GF
2018	\$90,963	0	NGF
2019	\$105,292	0	GF
2019	\$90,963	0	NGF

**8. Fiscal Implications:** According to the Department of Human Resource Management, this bill would result in additional costs of approximately \$237,000 per year. These additional costs would be recovered through increased health insurance premiums. Of the total

increased premiums paid by the state, about \$105,292 would be from the general fund and about \$90,963 from nongeneral funds. The remainder would come from employee (\$25,850) and early retiree premiums (\$14,895).

**9. Specific Agency or Political Subdivisions Affected:** Department of Human Resource Management.

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

**11. Other Comments:** None.

**Date:** 1/14/13

**Document:** G:\GA Sessions\2013 Session\SB866.docx