

Department of Planning and Budget

2016 Fiscal Impact Statement

1. Bill Number: HB848

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

2. Patron: Cline

3. Committee: Appropriations

4. Title: Health insurance for local employees.

5. Summary: Allows localities and local school boards to elect to have their employees participate in the state employee health insurance plan. The bill directs the Department of Human Resource Management to adopt regulations implementing the provisions of this bill by January 1, 2017.

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, retirees, and eligible dependents of the affiliated local school board and local government 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 and local governments 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 localities 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, local school boards, and local governments.

10. Technical Amendment Necessary: No.

11. Other Comments: This bill is identical to HB1215 (Kilgore) and companion to SB675 (Chafin). This bill is also similar to SB384 (Vogel).