

## **Department of Planning and Budget 2016 Fiscal Impact Statement**

**1. Bill Number:** SB675

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

**2. Patron:** Chafin

**3. Committee:** Finance

**4. Title:** Health insurance for local employees.

**5. Summary:** Allows local school boards and local governing bodies to elect to have all their employees and retirees, as well as the dependents of employees and retirees, eligible to participate in the state employee health insurance plan. The local school boards and governing bodies shall be responsible for whatever portion of the cost of such insurance is not paid by the employee, except any portion that the General Assembly elects to pay. The school board and governing body of a given locality must both elect to participate in the state plan in order for their employees to participate.

**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 a companion to HB1215 (Kilgore) and HB848 (Cline). This bill is also similar to SB384 (Vogel).