

State Corporation Commission

2023 Fiscal Impact Statement

1. Bill Number: HB1375

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

2. Patron: Greenhalgh

3. Committee: Commerce and Energy

4. Title: Health insurance; tobacco surcharge.

5. Summary: Eliminates the authority of a health carrier to vary its premium rates based on tobacco use. Under current law, a health carrier may charge premium rates up to 1.5 times higher for a tobacco user than for a nonuser. The provisions of the bill apply to health benefit plans providing individual or small group health insurance coverage entered into, amended, extended, or renewed on or after January 1, 2024.

The State Corporation Commission shall prepare and deliver an annual report summarizing the reductions in premiums related to the elimination of the tobacco surcharge and the percentage of new enrollees in localities with above-average rates of tobacco use by January 1 of each year.

The provisions of the bill expire on January 1, 2026.

6. Budget amendment necessary: No

7. Fiscal Impact Estimates: Preliminary. See Item #8.

8. Fiscal Implications: The State Corporation Commission Bureau of Insurance estimates that it can absorb the cost of the report required by House Bill 1375 within its current operating budget and without additional resources. The SCC notes that there are several legislative proposals advancing that require the agency to conduct a study, write a report, or lead a workgroup.

When considered in combination with one or more additional studies, reports, and work groups assigned to the SCC within other pending legislative proposals, the SCC estimates the fiscal impact for FY 2024 to be between \$100,000 and \$300,000, depending on the number of additional studies, reports, and work groups.

9. Specific agency or political subdivisions affected: State Corporation Commission Bureau of Insurance

10. Technical amendment necessary: No

11. Other comments: Senate Bill 1011 is identical to House Bill 1375.

Date: 01/27/23/V. Tompkins