

FISCAL ESTIMATE FORM

1999 Session

ORIGINAL

UPDATED

LRB # -2166/2

CORRECTED

SUPPLEMENTAL

INTRODUCTION # AB 242

Admin. Rule #

Subject

Health care coverage for certain participants under the WRS.

Fiscal Effect

State: No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

Increase Costs - May be possible to Absorb Within Agency's Budget Yes No

Increase Existing Appropriation

Increase Existing Revenues

Decrease Existing Appropriation

Decrease Existing Revenues

Decrease Costs

Create New Appropriation

Local: No local government costs

1. Increase Costs

Permissive Mandatory

3. Increase Revenues

Permissive Mandatory

5. Types of Local Governmental Units Affected:

Towns Villages Cities

2. Decrease Costs

Permissive Mandatory

4. Decrease Revenues

Permissive Mandatory

Counties Others _____

School Districts WTCS Districts

Fund Sources Affected

GPR FED PRO PRS SEG SEG-S

Affected Ch. 20 Appropriations

Assumptions Used in Arriving at Fiscal Estimate:

Under current law, the health care plans that are offered through the Group Insurance Board (GIB) have standardized copayments, coinsurance and deductibles for all eligible individuals.

AB 242 would require the GIB to establish different copayments, coinsurance and deductibles for health care coverage offered to WRS annuitants and to former state employees with at least 20 years of creditable service in the WRS and who are not immediately eligible for a WRS annuity.

Based upon the language of AB 242, it is not possible to reliably estimate the fiscal effect on the health insurance plans. Regardless of the extent of impact to the health plans, relatively minor increased administrative costs can be expected as a result of offering more coverage options. If, for example, healthier retirees opt for a plan with higher deductibles, the current plan will see increased premium costs.

The fiscal effect of this bill is indeterminate.

Long-Range Fiscal Implications:

Unknown

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