

FISCAL ESTIMATE FORM

1999 Session

ORIGINAL
 CORRECTED

UPDATED
 SUPPLEMENTAL

LRB #-2896/1

Introduction # Senate Bill 308

Admin. Rule #

Subject Health insurance coverage of nervous and mental disorders, alcoholism and other drug abuse problems

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
 Decrease Existing Appropriation
 Create New Appropriation

Increase Existing Revenues
 Decrease Existing Revenues

Decrease Costs

Local: No local government costs I

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

Affected Ch. 20 Appropriations

SEG-S

Assumptions Used in Arriving at Fiscal Estimate:

This bill removes the specified minimum amounts of coverage that a group health insurance policy must provide for the treatment of nervous and mental disorders and alcoholism and other drug abuse problems but retains the requirements with respect to providing the coverage. In addition, the bill imposes a new requirement that the coverage under group health benefit plans and self-insured health plans for the treatment of nervous and mental disorders and alcoholism and other drug abuse problems must be the same as the coverage under those plans for the treatment of physical conditions. This requirement applies to such coverage components as deductibles, copayments, annual and lifetime limits and medical necessity definitions.

By requiring that coverage for nervous and mental disorders and alcohol and other drug abuse problems be the same as coverage for the treatment of physical conditions, the bill may cause insurance premiums to increase. If this increase causes total benefits to rise more than 1.7%, school boards are allowed to pay for them by transferring money from salary increases allowed under the Qualified Economic Offer (QEO). Therefore, salary increases for school district employees may not increase at the 2.1% rate allowed by the QEO. However, any changes to the QEO are indeterminable, and not expected to increase or decrease local school district expenses.

This bill has no fiscal effect on the Department of Public Instruction.

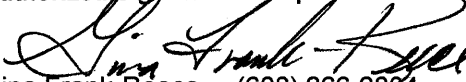
Long-Range Fiscal Implications:

Prepared By: (Name & Phone # / Agency Name)

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