

Fiscal Estimate - 2003 Session

Original Updated Corrected Supplemental

LRB Number 03-1091/1		Introduction Number AB-229	
Subject Universal health care			
Fiscal Effect			
State:			
<input type="checkbox"/> No State Fiscal Effect			
<input checked="" type="checkbox"/> Indeterminate			
<input type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Increase Existing Revenues	
<input type="checkbox"/> Decrease Existing Appropriations		<input checked="" type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Create New Appropriations		<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input type="checkbox"/> No	
		<input type="checkbox"/> Decrease Costs	
Local:			
<input type="checkbox"/> No Local Government Costs			
<input checked="" type="checkbox"/> Indeterminate			
1. <input type="checkbox"/> Increase Costs		3. <input type="checkbox"/> Increase Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
2. <input type="checkbox"/> Decrease Costs		4. <input type="checkbox"/> Decrease Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
5. Types of Local Government Units Affected			
<input type="checkbox"/> Towns		<input type="checkbox"/> Village <input type="checkbox"/> Cities	
<input type="checkbox"/> Counties		<input type="checkbox"/> Others	
<input type="checkbox"/> School Districts		<input type="checkbox"/> WTCS Districts	
Fund Sources Affected		Affected Ch. 20 Appropriations	
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS			
Agency/Prepared By		Authorized Signature	
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			Date
			5/8/2003

Fiscal Estimate Narratives

OCI 5/9/2003

LRB Number	03-1091/1	Introduction Number	AB-229	Estimate Type	Original
Subject					
Universal health care					

Assumptions Used in Arriving at Fiscal Estimate

This bill would establish a universal health plan for Wisconsin residents. OCI is not able to determine what the fiscal impact would be due to the many variables associated with this bill.

There does not appear to be any impact on the regulatory responsibilities of OCI. The bill includes a requirement that the new Department of Health Planning and Finance (DHPF) provide for a complaint process, therefore any complaints received by OCI would be minimal. Also, as more employers are enrolled in the universal health plan, there would be an assumed reduction in health insurance complaints received by OCI.

This bill institutes a payroll tax on employers and employees that is roughly equivalent to 100% of their expenditures for health care costs. This tax would likely cause an immediate migration of employers from commercial insurance to the state run universal health plan. It is probable that a decrease in revenues to the state will result. In 1999, franchise and premium tax revenues for health insurers approximated \$14,830,000

OCI does not have enough information available to determine how great of an impact this bill would have on local government. However, since the bill makes a provision for indexed growth in revenue sources equivalent to the anticipated growth of health care costs under the universal health plan, it is assumed that costs to local government will increase from the original base employer tax. OCI is not able to determine either the base tax or the anticipated increases.

Long-Range Fiscal Implications