

Fiscal Estimate - 2003 Session

Original Updated Corrected Supplemental

| | | | |
|--|--|---|--------------------------|
| LRB Number 03-1174/3 | | Introduction Number AB-304 | |
| Subject Provision of health insurance for public sector employees | | | |
| Fiscal Effect | | | |
| State: | | | |
| <input type="checkbox"/> No State Fiscal Effect | | | |
| <input checked="" type="checkbox"/> Indeterminate | | | |
| <input checked="" type="checkbox"/> Increase Existing Appropriations | | <input type="checkbox"/> Increase Existing Revenues | |
| <input type="checkbox"/> Decrease Existing Appropriations | | <input type="checkbox"/> Decrease Existing Revenues | |
| <input type="checkbox"/> Create New Appropriations | | <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget | |
| | | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | |
| | | <input type="checkbox"/> Decrease Costs | |
| Local: | | | |
| <input type="checkbox"/> No Local Government Costs | | | |
| <input checked="" type="checkbox"/> Indeterminate | | | |
| 5.Types of Local Government Units Affected | | | |
| 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 | |
| | | <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 OCI/ Jim Guidry (608) 264-6239 | | Authorized Signature Jorge Gomez (608) 266-3585 | Date 4/14/2003 |

Fiscal Estimate Narratives

OCI 4/28/2003

| | | | | | |
|---|------------------|---------------------|---------------|---------------|-----------------|
| LRB Number | 03-1174/3 | Introduction Number | AB-304 | Estimate Type | Original |
| Subject | | | | | |
| Provision of health insurance for public sector employees | | | | | |

Assumptions Used in Arriving at Fiscal Estimate

LRB 03-1174/3 would require OCI to promulgate rules that would:

1. Develop a uniform local government health care coverage request-for-proposal form which the local government must use.
2. Develop a uniform local government health claims experience form that an insurer must use.
3. Set out a standardized summary of benefits provided under health care coverage plans for use in determining whether a health care coverage plan is substantially similar to a plan offered under 40.51(7). It is necessary to define "substantially similar" in order for municipal employers to comply with sections 22 and 23 on page 12 of the bill.

In order to determine the necessary information that would be required to be included in a uniform RFP; determine what would constitute uniform local government health claims experience; and determining those benefits that would meet the definition of "substantially similar", as well as developing the definition of "substantially similar", OCI would require the input of actuarial based information. Presently, OCI does not have an actuary on staff and it would be necessary to consult with an outside actuary on a contract basis. Informal inquiries with actuarial firms have indicated that such consultations could be provided for approximately \$20,000.

Actual promulgation of these rules would increase costs to OCI, however those costs could be absorbed into OCI's existing budget with the exception of the previously identified consultant cost.

The effect on local governments is indeterminate at this point. Since local units of government operate independent of one another, their administrative procedures vary. It is assumed that local governments would see an increase in their administrative functions as a result of the requirements of this bill, but OCI is not able to estimate those costs.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2003 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

| | | | |
|--|---|--|-----------------|
| LRB Number 03-1174/3 | | Introduction Number AB-304 | |
| Subject | | | |
| Provision of health insurance for public sector employees | | | |
| I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): | | | |
| Actuarial services. | | | |
| II. Annualized Costs: | | Annualized Fiscal Impact on funds from: | |
| | | Increased Costs | Decreased Costs |
| A. State Costs by Category | | | |
| | State Operations - Salaries and Fringes | \$ | |
| | (FTE Position Changes) | | |
| | State Operations - Other Costs | 20,000 | |
| | Local Assistance | | |
| | Aids to Individuals or Organizations | | |
| | TOTAL State Costs by Category | \$20,000 | \$ |
| B. State Costs by Source of Funds | | | |
| | GPR | | |
| | FED | | |
| | PRO/PRS | 20,000 | |
| | SEG/SEG-S | | |
| III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, ets.) | | | |
| | | Increased Rev | Decreased Rev |
| | GPR Taxes | \$ | \$ |
| | GPR Earned | | |
| | FED | | |
| | PRO/PRS | | |
| | SEG/SEG-S | | |
| | TOTAL State Revenues | \$ | \$ |
| NET ANNUALIZED FISCAL IMPACT | | | |
| | | State | Local |
| | NET CHANGE IN COSTS | \$20,000 | \$ |
| | NET CHANGE IN REVENUE | \$ | \$ |
| Agency/Prepared By | | Authorized Signature | Date |
| OCI/ Jim Guidry (608) 264-6239 | | Jorge Gomez (608) 266-3585 | 4/14/2003 |