

Fiscal Estimate Narratives

DOA 4/17/2006

LRB Number	05-4520/1	Introduction Number	AB-1171	Estimate Type	Original
Description Creating a Healthy Wisconsin Authority and requiring a study on a catastrophic reinsurance program for health care costs					

Assumptions Used in Arriving at Fiscal Estimate

If enacted, this bill creates the Healthy Wisconsin Authority (HWA). The Authority would consist of a 13 member board of directors. The Authority would be charged with the task of studying options for implementing a program for providing reinsurance to groups and individuals in the state for catastrophic claims under group and individual health insurance policies. The Authority would be required to submit a report with their findings and recommendations to the Secretary of the Department of Administration by Nov. 15, 2006. If further legislation is then introduced and passed, the HWA would then develop and administer the reinsurance program.

Board members would not be compensated for their participation, but could be reimbursed for actual and necessary expenses related to meetings and travel. Wisconsin s. 20.505 (1)(ka) allows DOA to pay for the expenses of committees created by law or executive order. Per Wisconsin s. 16.40(14), the governor may authorize each committee to make expenditures from the appropriation under s. 20.505 (1)(ka) not exceeding \$2000 per fiscal year. The Department of Administration would reimburse board members for their actual expenses up to the \$2000 limit per fiscal year.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

LRB Number 05-4520/1		Introduction Number AB-1171	
Description Creating a Healthy Wisconsin Authority and requiring a study on a catastrophic reinsurance program for health care costs			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
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	2,000	
	Local Assistance		
	Aids to Individuals or Organizations		
	TOTAL State Costs by Category	\$2,000	\$
B. State Costs by Source of Funds			
	GPR		
	FED		
	PRO/PRS (20.505 (1)(ka))	2,000	
	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, etc.)			
		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	\$2,000	\$
	NET CHANGE IN REVENUE	\$	\$
Agency/Prepared By		Authorized Signature	Date
DOA/ Dawn Soletski (608) 266-6497		Martha Kerner (608) 266-1359	4/14/2006