

Fiscal Estimate - 2005 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 05-4493/1	Introduction Number AB-1217	
Description Requiring health insurance coverage of hearing aids and cochlear implants for infants		
Fiscal Effect		
State: <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs		
Local: <input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input checked="" type="checkbox"/> Increase Existing Costs 3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Existing 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 checked="" type="checkbox"/> Towns <input checked="" type="checkbox"/> Village <input checked="" type="checkbox"/> Cities <input checked="" type="checkbox"/> Counties <input type="checkbox"/> Others <input checked="" type="checkbox"/> School Districts <input checked="" type="checkbox"/> WTCS Districts		
Fund Sources Affected Affected Ch. 20 Appropriations <input checked="" type="checkbox"/> GPR <input checked="" type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input checked="" type="checkbox"/> PRS <input checked="" type="checkbox"/> SEG <input checked="" type="checkbox"/> SEGS		
Agency/Prepared By ETF/ Jon Kranz (608) 267-0908	Authorized Signature Dave Stella (608) 266-3641	Date 5/15/2006

Fiscal Estimate Narratives

ETF 5/16/2006

LRB Number	05-4493/1	Introduction Number	AB-1217	Estimate Type	Original
Description Requiring health insurance coverage of hearing aids and cochlear implants for infants					

Assumptions Used in Arriving at Fiscal Estimate

AB 1217 requires health insurance plans offered by the state under chapter 40 to cover hearing aids and cochlear implants for children under one year of age when recommended by an audiologist who certifies that the child is deaf or severely hearing impaired. Currently the state employees health plan covers both hearing aids and cochlear implants. The benefit is limited to \$1,000 per hearing aid and requires 20% of the cost of a cochlear implant to be covered by the insured participant. However, because the Federal Food and Drug Administration (FDA) does not recommend cochlear implants for children under one year of age, we believe that most health plans do not cover them at this time for this age group.

The bill will have fiscal impact to the extent that it requires health insurance premium rate increases necessary to cover the cost of increased utilization and lower cost sharing by children under age one. According to the Group Insurance Board's actuary, due in part to the FDA recommendation, the increased utilization will be minimal and the cost to the plan is estimated to be approximately \$18,000 annually.

Long-Range Fiscal Implications