

Fiscal Estimate Narratives
DOC 4/9/2015

LRB Number	15-0764/1	Introduction Number	SB-107	Estimate Type	Original
Description Badger Health Benefit Authority, health benefit exchange operation, granting rule-making authority, and providing a penalty					

Assumptions Used in Arriving at Fiscal Estimate

This bill creates the Badger Health Benefit Authority (authority) that is a public body corporate and politic that is created by state law but that is not a state agency. The authority is governed by a board of directors consisting of the commissioner of insurance (commissioner), the secretary of employee trust funds, the director of the state Medical Assistance program, the executive directors of the Wisconsin Collaborative for Healthcare Quality and the Wisconsin Health Information Organization, and the following members who are nominated by the governor, and with the advice and consent of the senate appointed, for three-year terms: a member in good-standing of the American Academy of Actuaries, a health economist, an employee benefits specialist, a representative of small employers, a representative of an organization that represents consumer interests, a representative of organized labor, and an individual with experience in health care administration. The chairperson of the board is the commissioner. The board must appoint an executive director of the authority. The executive director must, among other duties, supervise the administrative affairs and general management and operation of the authority, employ professional and clerical staff, as necessary, and prepare the authority's annual budget.

Under the bill, the authority must establish and operate a Wisconsin Health Benefit Exchange in this state, must make qualified health plans, with effective dates on or before January 1, 2016, available to qualified individuals and qualified employers, and must seek federal grants and other funding for the purpose of the exchange. The bill does not cover Department of Corrections (DOC) inmates as a qualified individual is defined in the bill, generally, as a citizen or national of the United States, or an alien lawfully present in the United States, who is not imprisoned in a correctional facility and who resides in this state.

DOC is preparing a fiscal estimate because this bill creates a new crime under Wis. Stat. 636.80(6) and 636.82(3)(b).

The Department is unable to determine the fiscal impact of the bill as it cannot predict the number of people that will be sentenced and the sentencing practices of judges under the new law.

This bill creates new crimes under Wis. Stat. 636.80(6) and 636.82(3)(b) that have a maximum penalty no more than one year in county jail. Thus, a violation of these proposed statutes cannot result in an offender being sentenced to prison.

The average FY14 annual cost to supervise one offender is approximately \$2,800. State costs could change if an increased number of people are placed on probation.

If there is a large increase in the number of offenders placed on probation, additional community corrections funding and/or positions may be necessary to handle the population.

The local fiscal impact of the bill cannot be determined because the Department of Corrections cannot predict the number of people that will be sentenced and the sentencing practices of judges under the new law. Costs at the local level may increase if offenders are placed in jail. The average FY14 annual cost to jail an inmate was \$18,800.

Long-Range Fiscal Implications