

LRB or Bill No./Adm. Rule No.  
 LRB1152/1 AB 193  
 Amendment No. if Applicable

**FISCAL ESTIMATE**

DOA-2048 N(R10/96)

- ORIGINAL       UPDATED  
 CORRECTED       SUPPLEMENTAL

**Subject**

Adjustments to household income threshold for premium and deductibles subsidy for the Health Insurance Risk-Sharing Plan (HIRSP) program.

**Fiscal Effect**

State:  No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

Increase Costs - May be possible to Absorb Within Agency's Budget     Yes     No

- Increase Existing Appropriation       Increase Existing Revenues  
 Decrease Existing Appropriation       Decrease Existing Revenues  
 Create New Appropriation

Decrease Costs

Local:  No local government costs

1.  Increase Costs  
      Permissive       Mandatory  
 2.  Decrease Costs  
      Permissive       Mandatory

3.  Increase Revenues  
      Permissive       Mandatory  
 4.  Decrease Revenues  
      Permissive       Mandatory

5. Types of Local Governmental Units Affected:  
 Towns       Villages       Cities  
 Counties       Others \_\_\_\_\_  
 School Districts       WTCS Districts

**Fund Sources Affected**

- GPR     FED     PRO     PRS     SEG     SEG-S

**Affected Ch. 20 Appropriations**

20.435 (4) (ah)

**Assumptions Used in Arriving at Fiscal Estimate**

This bill instructs the department to adjust the eligibility income threshold for premium and deductible subsidies in the HIRSP program, by the percentage change in the consumer price index (CPI) for the 12-month period ending on the day on which DHFS makes the adjustment. The effect of the bill will be to increase the maximum household income that a covered individual may have to be eligible for a subsidy if the CPI increases or to decrease the maximum household income that a covered individual may have to be eligible for a subsidy if the CPI decreases.

Funding for the HIRSP program is provided by state GPR, state SEG funding, policyholder premiums, assessments to the insurance industry, and assessments to health care providers in the form of provider discounts. Although one possible effect of the bill would be to change the number of individuals who are eligible for premium or deductible subsidy, it is assumed that the bill will not affect the total number of participants in the HIRSP program. Historically, the state GPR funds that are allocated for premium and deductible subsidies have been exhausted in each biennium. Therefore, the bill could potentially affect the amount of state funds distributed to each individual; however the total allocation of state funds for this purpose would not change. As a result, it is estimated that that the bill would have no state fiscal effect.

**Long-Range Fiscal Implications**

Agency/Prepared by: (Name & Phone No.)  
 DHFS/OSF  
 Richard T. Chao, 267-0356

Authorized Signature/Telephone No.  
  
 John Kiesow, Exec. Asst., 266-0067

Date  
 22  
 March 11, 1999

**FISCAL ESTIMATE WORKSHEET**

1999 Session

Detailed Estimate of Annual Fiscal Effect  
DOA-2047 (R10/96)

ORIGINAL     UPDATED  
 CORRECTED     SUPPLEMENTAL

LRB or Bill No./Adm. Rule No.  
LRB1152/1 AB 193

Amendment No.

**Subject**

Adjustments to household income threshold for premium and deductibles subsidy for the Health Insurance Risk-Sharing Plan (HIRSP) program.

**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 State funds from: |                        |
|---|---|------------------------|
|   | Increased Costs                               | Decreased Costs        |
| <b>A. State Costs by Category</b>   |   |                        |
| State Operations - Salaries and Fringes   | \$  | \$ -                   |
| (FTE Position Changes)  | ( FTE)  | (- FTE)                |
| State Operations - Other Costs  |   | -                      |
| Local Assistance  |   | -                      |
| Aids to Individuals or Organizations  |   | -                      |
| <b>TOTAL State Costs by Category</b>  | <b>\$ 00.00</b>                               | <b>\$ 00.00</b>        |
| <b>B. State Costs by Source of Funds</b>  | <b>Increased Costs</b>                        | <b>Decreased Costs</b> |
| GPR   | \$  | \$ -                   |
| FED   |   | -                      |
| PRO/PRS   |   | -                      |
| SEG/SEG-S   |   | -                      |
| <b>State Revenues</b> Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.) | <b>Increased Rev.</b>                         | <b>Decreased Rev.</b>  |
| GPR Taxes   | \$  | \$ -                   |
| GPR Earned  |   | -                      |
| FED   |   | -                      |
| PRO/PRS   |   | -                      |
| SEG/SEG-S   |   | -                      |
| <b>TOTAL State Revenues</b>   | <b>\$</b>                                     | <b>\$ -</b>            |

**NET ANNUALIZED FISCAL IMPACT**

STATE

LOCAL

NET CHANGE IN COSTS                      \$00.00 \_\_\_\_\_                      \$00.00 \_\_\_\_\_  
NET CHANGE IN REVENUES                      \$00.00 \_\_\_\_\_                      \$00.00 \_\_\_\_\_

|   |  |                        |
|---|--|------------------------|
| Agency/Prepared by: (Name & Phone No.)<br>DHFS/OSF<br>Richard T. Chao | Authorized Signature Telephone No.<br><br>John Kiesow, Exec. Asst., 266-0067 | Date<br>March 27, 1999 |
|---|--|------------------------|