

FISCAL ESTIMATE
DOA-2048 N

- ORIGINAL UPDATED
- CORRECTED SUPPLEMENTAL

LRB or Bill No./Adm. Rule No.
AB 518

Amendment No. if Applicable

Subject

This bill requires all health insurers to establish an independent review program for certain plan coverage decisions.

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

Assumptions Used in Arriving at Fiscal Estimate

Insurance policy forms will require modification as a result of this bill. OCI regularly reviews policy forms to ensure they comply with state law.

OCI will have one-time fiscal expenses to implement the statute for drafting administrative rules and certifying independent review organizations which can be absorbed by the agency. The bill creates additional fees due the agency for licensing Independent Review Organizations (IROs). The number of IROs anticipated to be licensed under this bill is so small as to have no fiscal effect.

Long-Range Fiscal Implications

None.

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