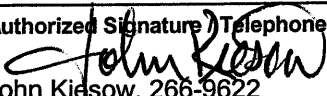


FISCAL ESTIMATE FORM		1999 Session
<input checked="" type="checkbox"/> ORIGINAL <input type="checkbox"/> UPDATED <input type="checkbox"/> CORRECTED <input type="checkbox"/> SUPPLEMENTAL		LRB # -2896/1 INTRODUCTION # SB 308 Admin. Rule #
Subject Mental health insurance parity		
Fiscal Effect		
State: <input type="checkbox"/> No State Fiscal Effect Check columns below only if bill makes a direct appropriation Or affects a sum sufficient appropriation.		<input checked="" type="checkbox"/> Increase Costs - May be possible to Absorb Within Agency's Budget <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<input type="checkbox"/> Increase Existing Appropriation <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Appropriation <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Create New Appropriation		<input type="checkbox"/> Decrease Costs
Local: <input checked="" type="checkbox"/> No local government costs		
1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenues <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenues <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	5. Types of Local Governmental Units Affected: <input type="checkbox"/> Towns <input type="checkbox"/> Villages <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others _____ <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
Fund Sources Affected		Affected Ch. 20 Appropriations
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input checked="" type="checkbox"/> SEG <input type="checkbox"/> SEG-S		20.435 (4) (v)
Assumptions Used in Arriving at Fiscal Estimate:		
<p>This bill removes the specified minimum amounts of coverage that a group health insurance policy must provide for the treatment of nervous and mental disorders and alcoholism and other drug abuse problems but retains the requirement with respect to providing the coverage. In addition, the bill imposes a new requirement that the coverage under group health benefit plans and self-insured health plans for the treatment of nervous and mental disorders and alcoholism and other drug abuse problems must be the same as the coverage under those plans for the treatment of physical conditions. The bill specifies that if an individual health insurance plan does provide coverage for mental health and AODA treatment, the individual insurance plan must provide the same coverage for that treatment that it provides for the treatment of physical conditions. The bill further specifies that the requirements apply to all coverage-related components, including deductibles; coinsurance; copayments; out-of-pocket limits, or appointment limits, etc.</p> <p>This bill would affect DHFS's Health Insurance Risk Sharing Plan (HIRSP) program. Funding for the HIRSP program is provided by state GPR, policyholder premiums, assessments to the insurance industry, and assessments to health-care providers in the form of provider discounts. Because the level of state GPR support for the program is fixed, policyholders, the insurance industry and health-care providers support any additional cost to the program in a 60/20/20 split, respectively.</p> <p>The HIRSP program currently provides coverage for mental health and AODA treatment with the following limits: inpatient AODA treatment is limited to 30 days per calendar year; inpatient mental health treatment is limited to 60 days per calendar year; and outpatient AODA and mental health treatment is limited to a total of \$3,000 per calendar year. The proposed bill would force the HIRSP program to remove the limits on the number of days or annual expenditures for these treatments.</p> <p>In 1999, 145 claims for a total of \$32,400 were denied for exceeding the annual limits for mental health coverage provided by the HIRSP program. This is the estimated fiscal effect of the proposed bill. It is possible that additional claims were not submitted because policyholders knew that these claims would have been denied due to coverage limitations. It is not possible to estimate the number of claims or the cost of services provided. However, they could increase the estimated cost of the proposal.</p>		
Prepared By: / Phone # / Agency Name		Authorized Signature / Telephone No.
Richard T. Chao / 267-0356		
DHFS.OSF		Date
		2-9-00

FISCAL ESTIMATE WORKSHEET

Detailed Estimate of Annual Fiscal Effect

1999 Session

ORIGINAL
 CORRECTED

UPDATED
 SUPPLEMENTAL

LRB # -2896/1

Admin. Rule #

INTRODUCTION # SB 308

Subject

Mental health insurance parity

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
A. State Costs by Category		
State Operations – Salaries and Fringes	\$	\$ -
(FTE Position Changes)	(FTE)	(- FTE)
State Operations - Other Costs		-
Local Assistance		-
Aids to Individuals or Organizations	32,400	-
TOTAL State Costs by Category	\$ 32,400	\$ -
B. State Costs by Source of Funds	Increased Costs	Decreased Costs
GPR	\$	\$ -
FED		-
PRO/PRS		-
SEG/SEG-S	32,400	-
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	\$	\$ -

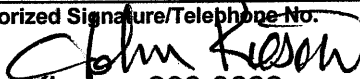
NET ANNUALIZED FISCAL IMPACT

STATE

LOCAL

NET CHANGE IN COSTS \$ 32,400 \$0

NET CHANGE IN REVENUES \$0 \$0

Prepared By: / Phone # / Agency Name Richard T. Chao / 267-0356 DHFS/OSF	Authorized Signature/Telephone No.  John Kiesow, 266-9622	Date 2-9-00
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