

FISCAL ESTIMATE FORM

2001 Session

- ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB # 01 - 1507/1

INTRODUCTION # 01 AB 130

Admin. Rule #

Subject
 Health insurance coverage of hearing testing and hearing aids

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:

AB 130 requires health insurance policies offered to state and local government employees and annuitants offered under the Group Insurance Board to provide full coverage for hearing exams and up to \$1,000 toward the cost of hearing aids. The bill does not specify whether the \$1,000 limit is either annual or lifetime. It is assumed for the purpose of this estimate that any medically necessary hearing aid will be covered, including replacement hearing aids. The bill will have a fiscal effect to the extent that it requires an increase in group health insurance premiums.

The state fiscal effect of the bill is estimated to be \$471,000 annually. According to the Group Insurance Board's consulting actuary, it will require additional premium of \$0.25 per member per month (pmpm). The state employee plan has an estimated 157,000 members (\$0.25 pmpm x 157,000 active members x 12 months). This estimate does not include any cost for annuitants enrolled in the Medicare Plus \$100,000 plan who pay the entire cost of the premium.

The local government fiscal effect is estimated for those that participate in the optional health insurance program of the Board under 40.51 (7). There are approximately 22,000 local government participants. The estimated cost is \$66,000 annually. (\$0.25 pmpm x 22,000 active participants x 12 months).

Long-Range Fiscal Implications:

On-going.

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2/21/04

FISCAL ESTIMATE WORKSHEET

Detailed Estimate of Annual Fiscal Effect

2001 Session

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Health insurance coverage of hearing testing and hearing aids

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	471,000	-
Local Assistance		-
Aids to Individuals or Organizations		-
TOTAL State Costs by Category	\$ 471,000	\$ -
B. State Costs by Source of Funds	Increased Costs	Decreased Costs
GPR	\$ 211,000	\$ -
FED		-
PRO/PRS	260,000	-
SEG/SEG-S		-
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

	<u>STATE</u>	<u>LOCAL</u>
NET CHANGE IN COSTS	\$ 471,000	\$66,000
NET CHANGE IN REVENUES	\$	\$

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