

### Fiscal Estimate - 2003 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>03-2218/1</b>	<b>Introduction Number</b> <b>SB-202</b>
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**Subject**

Purchase of health care coverage by individuals engaged in the business of farming through the Group Insurance Board

**Fiscal Effect**

**State:**

No State Fiscal Effect  
 Indeterminate

<input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations	<input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Decrease Costs
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**Local:**

No Local Government Costs  
 Indeterminate

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 Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<b>5. Types of Local Government Units Affected</b> <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
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<b>Fund Sources Affected</b>	<b>Affected Ch. 20 Appropriations</b>
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	

<b>Agency/Prepared By</b>	<b>Authorized Signature</b>	<b>Date</b>
ETF/ Vicki Poole (608) 261-7940	Pam Henning (608) 267-2929	10/2/2003

**Fiscal Estimate Narratives**

**ETF 10/2/2003**

LRB Number	<b>03-2218/1</b>	Introduction Number	<b>SB-202</b>	Estimate Type	<b>Original</b>
<b>Subject</b>					
Purchase of health care coverage by individuals engaged in the business of farming through the Group Insurance Board					

**Assumptions Used in Arriving at Fiscal Estimate**

There are 35,000 uninsured farmers in Wisconsin. If 10,000 of them opted to join the state employee health plan, Employee Trust Fund (ETF) actuaries estimate it would cost approximately \$23.5 million per year more in additional state costs for premiums. If 20,000 farmers joined the program, it would double the cost (\$47 million). The added costs are related to the risk factors involved in insuring the farmers, which would ultimately result in more benefits being paid, and consequently, premium costs for all people covered under the plan would rise. Based on the assumed health status of this particular group (farmers), the cost is estimated to be 155% of that of a normal member. These costs assume that the incoming members will pay the total current premium as their cost for the plan. State employers (agencies) pay 97% of premium costs and employees pay 3%.

In terms of fund sources affected, the type of fund source is directly related to the funding sources that different state agencies utilize.

**Long-Range Fiscal Implications**

The assumptions described above are yearly and would be expected to continue indefinitely.

## Fiscal Estimate Worksheet - 2003 Session

Detailed Estimate of Annual Fiscal Effect

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<b>Subject</b>			
Purchase of health care coverage by individuals engaged in the business of farming through the Group Insurance Board			
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>			
<b>II. Annualized Costs:</b>		<b>Annualized Fiscal Impact on funds from:</b>	
		Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>			
State Operations - Salaries and Fringes		\$	
(FTE Position Changes)			
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations			
<b>TOTAL State Costs by Category</b>		<b>\$</b>	<b>\$</b>
<b>B. State Costs by Source of Funds</b>			
GPR			
FED			
PRO/PRS			
SEG/SEG-S			
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</b>			
		Increased Rev	Decreased Rev
GPR Taxes		\$	\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
<b>TOTAL State Revenues</b>		<b>\$</b>	<b>\$</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>			
		State	Local
NET CHANGE IN COSTS		\$See narrative	\$
NET CHANGE IN REVENUE		\$	\$
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
ETF/ Vicki Poole (608) 261-7940		Pam Henning (608) 267-2929	10/2/2003