

Fiscal Estimate - 2005 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 05-4689/1	Introduction Number AB-1218
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Description
 Requiring health insurance policies to cover orphan drugs and granting rule-making authority

Fiscal Effect

State:

- No State Fiscal Effect
- Indeterminate
 - Increase Existing Appropriations
 - Decrease Existing Appropriations
 - Create New Appropriations
- Increase Existing Revenues
- Decrease Existing Revenues
- Increase Costs - May be possible to absorb within agency's budget
 - Yes No
- Decrease Costs

Local:

- No Local Government Costs
 - Indeterminate
 - 1. Increase Costs 3. Increase Revenue
 - Permissive Mandatory Permissive Mandatory
 - 2. Decrease Costs 4. Decrease Revenue
 - Permissive Mandatory Permissive Mandatory
5. Types of Local Government Units Affected
- Towns Village Cities
 - Counties Others
 - School Districts WTCS Districts

Fund Sources Affected **Affected Ch. 20 Appropriations**

GPR
 FED
 PRO
 PRS
 SEG
 SEGS

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Fiscal Estimate Narratives

OCI 5/18/2006

LRB Number	05-4689/1	Introduction Number	AB-1218	Estimate Type	Original
Description Requiring health insurance policies to cover orphan drugs and granting rule-making authority					

Assumptions Used in Arriving at Fiscal Estimate

The Office of Commissioner of Insurance (OCI) reviews policy forms to ensure compliance with Wisconsin's laws and regulations, and responds to complaints. Ensuring that insurers comply with the requirements of this bill will be fulfilled as part of the standard activities of the office. Additionally, the bill requires OCI to promulgate a rule that specifically details which orphan drugs are to be covered under the mandate. It is anticipated that this rule will require updating periodically as necessary. This rulemaking will involve an additional cost to OCI that can be absorbed within the Agency's existing budget.

In accordance with s. 601.423, Wis Stats., OCI will prepare the mandated study on the fiscal and social impacts of new mandated insurance benefits.

The fiscal effect on local Governments is indeterminate. Requiring health insurance policies to cover orphan drugs as a part of their prescription drug coverage is not currently a mandated coverage in Wisconsin health insurance plans. OCI has no data that identifies how many local governments have prescription drug coverage in their health benefit plans. A calculation of the fiscal impact is not possible.

Long-Range Fiscal Implications