Fiscal Estimate - 2007 Session

Original Updated	Corrected Supplemental				
LRB Number 07-0660/1	Introduction Number AB-0016				
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 Appropriations Create New Appropriations No Local Government Costs Indeterminate 1. Increase Costs Any be possible to absorb within agency's budget Decrease Existing Revenues Decrease Costs No Local Government Costs Indeterminate 1. Increase Costs Any be possible to absorb within agency's budget Decrease Costs No Decrease Costs S. Types of Local Government Units Affected Towns Village Cities Counties Others School Districts Districts					
Fund Sources Affected Affected Ch. 20 Appropriations GPR FED PRO PRS SEG SEGS					
Agency/Prepared By	Authorized Signature Date				
OCI/ Jim Guidry (608) 264-6239	Sean Dilweg (608) 266-3585 2/7/2007				

Fiscal Estimate Narratives OCI 2/8/2007

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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 does not collect data that identifies how many local governments have presecription drug coverage in their health benefit plans. A calculation of the fiscal impact is not possible.

Long-Range Fiscal Implications