

**DRAFTER'S NOTE**  
**FROM THE**  
**LEGISLATIVE REFERENCE BUREAU**

LRB-2576/P1dn  
PJK:jld:jf

May 7, 2007

In this version of the bill, I have provided that the deductible and copay subsidies and premium reductions do not apply to persons who choose the health savings account option. Is this what you want? In current law, the subsidies and reductions apply only to the coverage offered under s. 149.14 (2) (a) and not to the "choice of coverage" offered under s. 149.14 (2) (c). The budget bill, however, removes this difference so that the subsidies and reductions apply to all plan options. It is your decision whether you want the subsidies and reductions to apply if someone takes the health savings account option. I do not know if subsidizing part of the deductible would have any effect on the tax deductibility of what an individual withdraws from an HSA, or if subsidizing a deductible might be considered to reduce the deductible below the level required under federal law for a high deductible plan. DOR might have an idea, since HSAs are created under the IRC.

The only other questions I have relate to coverage of "eligible individuals," who were included in HIRSP because of HIPAA requirements. Will adding a health savings account option make HIRSP ineligible to be the plan under which those individuals are covered? Can those individuals choose the health savings account option, or must they be excluded, as are individuals who are eligible for Medicare? OCI might have that information.

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