

Fiscal Estimate - 2017 Session

Original Updated Corrected Supplemental

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| LRB Number 17-5325/1 | | Introduction Number SB-770 | |
| Description Wisconsin Healthcare Stability Plan, reinsurance of health carriers, reallocating savings from health insurer fee, providing an exemption from emergency rule procedures, granting rule-making authority, and making appropriations | | | |
| Fiscal Effect | | | |
| State: | | | |
| <input type="checkbox"/> No State Fiscal Effect | | | |
| <input checked="" type="checkbox"/> Indeterminate | | | |
| <input type="checkbox"/> Increase Existing Appropriations | <input type="checkbox"/> Increase Existing Revenues | <input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget | |
| <input type="checkbox"/> Decrease Existing Appropriations | <input type="checkbox"/> Decrease Existing Revenues | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <input type="checkbox"/> Create New Appropriations | | <input type="checkbox"/> Decrease Costs | |
| Local: | | | |
| <input type="checkbox"/> No Local Government Costs | | | |
| <input type="checkbox"/> Indeterminate | | | |
| 1. <input type="checkbox"/> Increase Costs | 3. <input type="checkbox"/> Increase Revenue | 5. Types of Local Government Units Affected | |
| <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | <input type="checkbox"/> Towns | <input type="checkbox"/> Village <input type="checkbox"/> Cities |
| 2. <input type="checkbox"/> Decrease Costs | 4. <input type="checkbox"/> Decrease Revenue | <input type="checkbox"/> Counties | <input type="checkbox"/> Others 0 |
| <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | <input type="checkbox"/> School Districts | <input type="checkbox"/> WTCS Districts |
| Fund Sources Affected | | Affected Ch. 20 Appropriations | |
| <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS | | | |
| Agency/Prepared By | Authorized Signature | Date | |
| DHS/ Andrew Walsh (608) 266-5655 | Andy Forsaith (608) 266-7684 | 2/7/2018 | |

Fiscal Estimate Narratives

DHS 2/7/2018

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| LRB Number | 17-5325/1 | Introduction Number | SB-770 | Estimate Type | Original |
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Assumptions Used in Arriving at Fiscal Estimate

This bill creates a reinsurance program, the Wisconsin Healthcare Stability Plan (WIHSP) for health insurance companies participating in the individual health insurance market, contingent on federal approval of a State Innovation Waiver under the Affordable Care Act.

A provision within this bill would require DOA to transfer, from agency program revenue accounts, available balances due to savings that result from insurers in the state's group health insurance program or Medical Assistance not having to pay an annual fee under section 9010 of the federal Affordable Care Act. Recent federal legislation suspended the fee for the CY 19 tax year. This provision of the bill may result in revenue balances in DHS appropriations being transferred to the General Fund to the extent the fee suspension reduces Department fringe costs. The Department is not able to estimate the amount and timing of the potential savings. Balances would be potentially available only in the Department's non-federal program revenue appropriations that have positive revenue balances.

An additional provision within this bill requires the Department to lapse, from the Medical Assistance (MA) GPR appropriation, up to \$80 million GPR to the general fund in the 2017-19 biennium. The actual amount of lapse will depend on the cost of WIHSP; see the fiscal note from OCI in regards to the anticipated cost of WIHSP.

Long-Range Fiscal Implications