

Fiscal Estimate - 2017 Session

Original Updated Corrected Supplemental

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 <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
5. Types of Local Government Units Affected <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	
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	
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Date 2/9/2018	

Fiscal Estimate Narratives

OCI 2/9/2018

LRB Number	17-5325/1	Introduction Number	SB-770	Estimate Type	Original
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					

Assumptions Used in Arriving at Fiscal Estimate

This bill creates a \$200 million reinsurance program to increase stability in the individual market and to lower premiums. Based on initial review, the state will be required to fund roughly twenty-five (25) percent of the program and the federal government will fund pass through dollars supporting the remaining seventy-five (75) percent of the cost. Federal funding will come from reductions in the amount of subsidy the federal government pays for insurance. State funding would come from estimated savings in the state Medical Assistance program. Therefore, initially, there will be no general fund impact for the program. If implemented, the program can be evaluated in future years to determine if it should continue and/or if additional 1332 waivers are to be pursued.

The operational expenses of the program will include contracting for actuarial expertise to determine costs year to year and will be absorbed by the agency.

At this time, any costs to OCI relating to this bill are indeterminate.

Long-Range Fiscal Implications