

FISCAL ESTIMATE FORM

2001 Session

- ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB # 01 – 1994/4

INTRODUCTION # 01 SB 81

Admin. Rule #

Subject

Private Employer Health Care Coverage Program

Fiscal Effect

State: No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

Increase Costs - May be possible to Absorb Within Agency's Budget Yes No

- Increase Existing Appropriation Increase Existing Revenues
 Decrease Existing Appropriation Decrease Existing Revenues
 Create New Appropriation

Decrease Costs

Local: No local government costs

1. Increase Costs
 Permissive Mandatory
2. Decrease Costs
 Permissive Mandatory

3. Increase Revenues
 Permissive Mandatory
4. Decrease Revenues
 Permissive Mandatory

5. Types of Local Governmental Units Affected:

- Towns Villages Cities
 Counties Others _____
 School Districts WTCS Districts

Fund Sources Affected

- GPR FED PRO PRS SEG SEG-S

Affected Ch. 20 Appropriations

s. 20.515 (2) (a) and (b)

Assumptions Used in Arriving at Fiscal Estimate:

LRB 1994/2 makes several structural changes to the terms of the Private Employer Health Care Coverage Program, including the following:

- requiring the Department to enter into contracts with insurers instead of an administrator;
- clarifies that either the Department or the administrator can market the program and maintain the toll-free telephone number;
- eliminates requirement to publish all insurance rates annually under the program and allows the Private Employer Health Care Coverage Board to determine availability to employees and employers;
- clarifies that the minimum number of hours an employee must work to be eligible for coverage under the program will be 30 hours per week, unless individual health plans agree to a lower standard;
- clarifies that employers must pay for each employee at least 50% of the lowest premium rate for single coverage that is available to the employer for that employee's coverage;
- clarifies that the insurance agent may not sell health care coverage on behalf of the program unless listed with the Commissioner of Insurance;
- authorizes the Board to establish training and certificate requirements which agents must satisfy in order to sell health care coverage under the program; and
- eliminates the requirement that the insurer must specify on the first page of any policy sold under the program the amount of commission paid to the insurance agent.

Also, LRB 1994/2 transfers \$141,600 GPR in FY 2001 from the grants for program administrator's costs appropriation (s. 20.515 (2)(b)) to the private employer health care coverage program operating costs appropriation (s. 20.515 (2)(a)) to continue funding and operations of the Private Employer Health Care Coverage Program.

Long-Range Fiscal Implications:

None.

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3/9/01