

Fiscal Estimate - 2011 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 11-3495/3	Introduction Number AB-0531	
Description Requiring legislation for agencies to take an action to, request federal moneys to, and use state moneys to assist the federal government to implement federal health reform		
Fiscal Effect		
State: <input type="checkbox"/> No State Fiscal Effect <input checked="" type="checkbox"/> Indeterminate <input checked="" 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 <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		
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Fiscal Estimate Narratives
OCI 2/24/2012

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Description Requiring legislation for agencies to take an action to, request federal moneys to, and use state moneys to assist the federal government to implement federal health reform					

Assumptions Used in Arriving at Fiscal Estimate

AB 531 significantly limits the ability of the Office of the Commissioner of Insurance (OCI) to carry out functions critical to regulating the health insurance market in Wisconsin; for example, market conduct, financial solvency, consumer protection and consumer complaints. OCI staff need to understand federal law, how it intersects with state law and ultimately what is required of the industry as a whole.

AB 531 states that, "no agency may expend any moneys of this state...in implementing any portion of the PPACA unless the state legislature has enacted legislation to allow the agency to expend those moneys and the legislation is in effect." OCI interprets this language to mean state funded OCI staff would be prohibited from, among other things:

- Analyzing PPACA and all related federal regulation to understand health insurer responsibilities under the law and how they may impact insurer responsibilities under state law;
- Communicating to insurers their responsibilities under current law;
- Accepting and reviewing form filings to ensure health insurance policies are covering mandated services;
- Performing market conduct and financial examinations that include analysis of PPACA related information;
- Responding to consumer complaints on insurer actions related to PPACA mandates; and
- Working with insurers experiencing financial solvency issues related to PPACA.

The fiscal effect of this bill is indeterminate. OCI would need to draft legislation allowing the agency to spend state agency funds to carry out the regulatory activities referenced above. In addition to state resources needed to draft legislation, staff time will be spent working with legislators to ensure an understanding of the agency's goals in pursuing such legislation.

PPACA is complex and, as such, the Department of Health and Human Services has released numerous regulations interpreting the law. There are several more significant regulations due to be released this year. Under AB 531, OCI will expend state resources on drafting legislation to allow for the promulgation of necessary regulations that provide guidance to insurers so that they understand how state and federal law on PPACA related issues come together and what exactly is required. It is unknown at this time whether delays in the agency's ability to promulgate rules may result in additional costs to the agency.

Long-Range Fiscal Implications