

This bill may have a significant fiscal impact to State and local government, as well as private employers. Health insurance premiums could increase between 0.5 percent and 10 percent depending on the rules established by the State Insurance Department and the effect this has on the coverage in effect by the insurer.

The State has traditionally followed the State insurance code, however, the State is not required to participate. Therefore, the Analyst could not show that new funding would definitely be required. If the State elects to participate, the State paid premiums are estimated to increase \$787,500 from all funding sources. The cost to local government entities could be more than \$300,000 if they adopt these changes.

There will be an increased revenue of \$18,600 to the State Insurance Department for policy change filing fees and additional costs of \$2,000 to effect the rule changes.

	<u>FY 00 Approp.</u>	<u>FY 01 Approp.</u>	<u>FY 00 Revenue</u>	<u>FY 01 Revenue</u>
General Fund	\$2,000	\$0	\$18,600	
<b>TOTAL</b>	<u><u>\$2,000</u></u>	<u><u>\$0</u></u>	<u><u>\$18,600</u></u>	

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### **Individual and Business Impact**

Affected individuals will realize a significant savings in the treatment of their condition. Insurance companies may incur additional costs. This includes filing fees of \$15.00 and increased treatment costs for the added benefits. The general population may experience an increase in insurance premiums. This could range from 0.5 to 10 percent.

Additional insurance benefits could result in added costs for the mandated benefits. The costs of mandated coverage may be recovered by: 1) reducing other benefits; 2) increasing premiums; 3) reducing insurance company profits; or 4) increasing insurance company losses.

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