

**AMENDED BILL**

The provisions of this bill change the State insurance code and mandate mental health benefits. Companies/organizations which are exempt due to ERISA (Employee Retirement Income Security Act of 1974) would not be required to comply. The amendments to the bill specifically direct the State's employee health plans to comply with the provisions of this bill.

The State paid premiums are estimated to increase 2.8 percent or \$2,436,000 starting in FY 2001 - this includes \$1,506,000 from the General Fund and the Uniform School Fund.

Local governments may also realize an increase. Their costs could be more than \$800,000 statewide.

Enactment of this bill could generate Medicaid savings because of the increased private coverage, however, this cannot be quantified. There may be an increase in revenue to State health facilities. It is estimated this would be \$450,000 per year and would be used to provide care for additional patients. Revenue from rate modification fees in the amount of \$7,500 would be collected and added to the General Fund which offsets the one-time expenditure in the Insurance Department.

	<u>FY 00 Approp.</u>	<u>FY 01 Approp.</u>	<u>FY 00 Revenue</u>	<u>FY 01 Revenue</u>
General Fund		\$1,420,200		\$7,500
Income Tax	\$0	\$8,000	\$0	\$0
Uniform School Fund		\$85,300		
Transportation Fund	\$0	\$160,400	\$0	\$0

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**Fiscal Note**  
**Bill Number HB0159**

24-Feb-99

9:30 AM

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Federal Funds	\$0	\$433,000	\$0	\$0
Dedicated Credits Revenue	\$0	\$641,300	\$0	\$450,000
Mineral Lease	\$0	\$1,700	\$0	\$0
Other	\$0	\$2,400	\$0	\$0
Uniform Sch. Fund -Restr.	\$0	\$700	\$0	\$0
Transportation Restricted	\$0	\$1,400	\$0	\$0
GF Restricted	\$0	\$139,100	\$0	\$0

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<b>TOTAL</b>	<b>\$0</b>	<b>\$2,893,500</b>	<b>\$0</b>	<b>\$457,500</b>
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**Individual and Business Impact**

This bill mandates certain mental health care benefits. Those receiving the health care benefits will realize a significant savings. Many employers and/or employees may be required to pay up to 13 percent more in health care premiums. This would be absorbed by the employer, passed along to insured employees, or the consumer.

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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**Office of the Legislative Fiscal Analyst**