

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7909

BILL NUMBER: HB 1951

DATE PREPARED: Jan 24, 1999

BILL AMENDED:

SUBJECT: Dental Anesthesia.

FISCAL ANALYST: Alan Gossard

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**FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL**

IMPACT: State & Local

Summary of Legislation: This bill requires health insurance and health maintenance organizations (HMOs) to provide coverage for certain anesthesia and hospital charges for dental procedures.

Effective Date: July 1, 1999.

Explanation of State Expenditures: This bill mandates insurance coverage for anesthesia and hospital charges for dental care. The mandated benefits could affect costs to the health care plans providing health benefits to state employees. Costs to the state employee health plans are estimated to be about \$37,000, annually. The increased costs may be reflected in increased premiums and enrollment fees charged by the plans. Increased premiums and fees, however, may or may not result in additional costs to the state, depending upon administrative action as to the determination of the employer/employee cost share for health plan benefits. The state currently pays about 95% of aggregate employee health plan costs.

The Alabama Society of Pediatric Dentistry estimated the cost of insurance coverage for dental procedures performed under general anesthesia in a hospital setting in Alabama to be \$0.97 per policy per year. Based on the number of state employees participating in the state employee health plans, the estimated cost to the health plans is about \$37,000 per year, assuming none of the health plans currently provide coverage for these procedures. The state employee health plans are currently being surveyed to determine current coverage.

Explanation of State Revenues:

Explanation of Local Expenditures: Similar to the state, increased premiums and enrollment fees arising from mandated coverage for dental procedures performed under general anesthesia in a hospital setting, may or may not result in additional costs to local governments and school corporations, depending upon administrative action as to the determination of the employer/employee cost share for health plan benefits

offered to employees. The impact on local units of government and school corporations would also differ by local unit and the particular benefit plan currently provided to employees.

Explanation of Local Revenues:

State Agencies Affected: All

Local Agencies Affected: Local Governments and School Corporations

Information Sources: Dr. John Bogert, American Academy of Pediatric Dentistry, (312) 337-2169.