

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7507

BILL NUMBER: SB 557

NOTE PREPARED: Jan 14, 2009

BILL AMENDED:

SUBJECT: Small Employer Health Coverage Pool.

FIRST AUTHOR: Sen. Errington

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill requires the Department of Insurance (DOI) to establish a small employer health coverage pool for employees of certain small employers.

Effective Date: July 1, 2009.

Explanation of State Expenditures: The DOI must, not later than September 30, 2009, contract with at least one

- (1) insurer to issue a policy of group accident and sickness insurance to; or
- (2) a health maintenance organization to enter into a group contract with

the small employer health coverage pool to provide coverage for health care services to employees of small employers that participate in the pool. DOI may adopt rules to implement the provisions of the bill.

To implement the provisions of the bill, the DOI might need to hire one additional staff person. Salary, fringe benefits, and indirect costs for one staff person are estimated at \$43,000 for FY 2010 and FY 2011.

The funds and resources required above could be supplied through a variety of sources, including the following: (1) existing staff and resources not currently being used to capacity; (2) existing staff and resources currently being used in another program; (3) authorized, but vacant, staff positions, including those positions that would need to be reclassified; (4) funds that, otherwise, would be reverted; or (5) new appropriations. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions.

For FY 2008, DOI reverted \$3 M in dedicated funds.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: DOI.

Local Agencies Affected:

Information Sources: Carol Cutter, Chief Deputy Commissioner, DOI, 232-5695.

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