

BILL SUMMARY
2nd Session of the 52nd Legislature

Bill No.:	HB 3154
Version:	FULLPCS1
Author:	Representative Osborn
Date:	2/12/2010
Impact:	Employee Benefits Council: One-Time \$20,000 Enrollment Cost; Potential Significant Health Care Benefits Savings

Bill Summary

Research Analyst: Dante Giancola

The proposed committee substitute for HB3154 adds language stating if a legislator has opted out of state provided health insurance, the legislator along with his or her dependents are prohibited from participating in any health plan, dental plan, life plan, supplemental life plan, dependent life plan, or disability life plan at any time during the Plan Year for which the legislator made that election.

However, the legislator may continue participating in:

- Benefit plans under the flexible benefit plan other than those mentioned above;
- The Health Care Reimbursement Account Option;
- the Dependent Care Reimbursement Account Option; and
- The Insurance Premium Conversion Option.

The introduced version of HB3154 creates new law allowing any Legislator to opt out of state provided health insurance coverage, provided that the legislator is currently covered by a separate health insurance plan. Any legislator who chooses to opt out of state provided health insurance must sign an affidavit. Any savings as a result of a legislator opting out shall be retained by the state.

Fiscal Summary

Fiscal Analyst: "Click and type"

The FULLPCS1 to HB 3154 allows any member of the Legislature to opt out of the state's basic health plan, provided that the legislator is currently covered by a separate health insurance plan. A member who opts out of the basic plan shall be prohibited from participating in any health plan, dental plan, life plan, supplemental life plan, dependent life plan and disability plan at any time during the Plan Year, and shall also be prohibited from electing the same coverage for the participant's dependents for the same time period. However, members opting out may continue participation in any benefit plans available under the flexible benefit plan other than a health plan, dental plan, life plan, supplemental life plan, dependent life plan, and other plans under the conditions detailed in the measure. Any savings realized by the state as a result of a legislator opting out of health insurance plan coverage shall be retained by the state.

Fiscal Analysis

The Employee Benefits Council (EBC) reports a one-time cost of \$20,000 to implement a “paper” rather than an on-line enrollment for those legislators opting out of the state’s basic health plan. EBC estimates a savings to the state of \$483,226 in the event that twenty-five percent of the members opt out, \$966,452 if fifty percent do so and \$1,449,677 at 75% rate.

Long Term Fiscal Considerations

As Stated Above

Fiscal Analysis Reviewed By:

Janice Buchanan

House Fiscal Director