

**BILL SUMMARY**  
1<sup>st</sup> Session of the 56<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>HB 1630</b>
<b>Version:</b>	<b>Introduced</b>
<b>Request Number:</b>	<b>5857</b>
<b>Author:</b>	<b>Representative Rogers</b>
<b>Date:</b>	<b>2/20/2017</b>
<b>Impact:</b>	<b>OMES: \$12 million in FY-18; Potential Impact on HealthChoice Premium Rates</b>

**Research Analysis**

HB 1630 requires that state employees be offered HMO plans with the same actuarial value as offered by HealthChoice High. The measure also provides that no risk adjustment factor be assessed on certain benefit plans.

Prepared By: Sean Webster

**Fiscal Analysis**

The measure requires the offering of HMO plans with the same actuarial value as the state's self-funded HealthChoice High Option plan, and prohibits the assessment of risk adjustment factors on certain benefit plan contracts. According to the Office of Management and Enterprise Services (OMES), eliminating the risk adjustment factor would impact the state's self-funded health insurance plan, Health Choice, as a result of a lack of risk-adjusted premiums necessary to offset the cost of the disproportionate percentage of older, more costly members enrolled in that plan. The additional cost would result in a corresponding increase in Health Choice premium rates, which would also directly impact the cost of both state and education employee flexible benefit allowances.

Prepared By: Nicole McPhetridge

**Other Considerations**

None.