

FISCAL NOTE

	FY 2020	FY 2021	FY 2022
NON-ADMINISTRATIVE IMPACT			
Anticipated Revenue increase			
EMPLOYEE HEALTH INS ACCT - Health ins.	\$0	\$5,340,193	\$8,481,045
EMPLOYEE HEALTH INS ACCT - Dental ins.	\$0	\$245,155	\$378,325
EMPLOYEE HEALTH INS ACCT - Life ins.	\$0	\$46,184	\$69,196
EMPLOYEE HEALTH INS ACCT - Flex benefits	\$0	\$657,804	\$985,560

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Anticipated Expenditure increase			
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Source of revenue and expenditure increase:

Additional participants in the Employees Group Insurance Plan;

Assumptions:

The Employees Group Insurance (EGI) Plan is self-funded and operational costs are paid through premium collection from participating entities. Under this bill, there are multiple counties and municipalities who could join the EGI plan.

No fiscal year impact is anticipated for FY 2020 due to the learning curve for entities in the first year coupled with the 120-day notice prior to enrollment. In addition, there is an inherent claims payment lag in self-funded programs.

The assumption utilized for this estimate is that one county/municipality with 150 employees and one other county/municipality with average of 137 employees could enroll in the State's benefit plans in the first biennium. It is assumed that the contract count would go from 287 to 430 in the third fiscal period.

Community rated premiums would be collected from the entities to support the anticipated increased costs. The individual medical composite monthly claim factor is \$1,462.81 in year one, \$1,550.58 in year two and \$1,643.61 in year three. The individual Dental composite monthly claim factor is \$69.11 in the first year, \$71.18 in year two and \$73.32 in year three. Average age is anticipated to be 55 for life insurance purposes. Individual annual composite factor for flex benefits is \$191.

Any influx of entities and members would impact the administration of the EGI Plan in 0100 Personnel/Benefit Costs and 0200 Supportive Services Costs, in addition to increased claims and premiums paid by the EGI plan. If enrollment is small, the initial administrative cost could be supported by current budget levels. Significant growth would result in future supplemental budget requests.

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