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## FISCAL IMPACT REPORT

SPONSOR: Rodriguez DATE TYPED: 03/07/03 HB \_\_\_\_\_  
 SHORT TITLE: Insurance Benefits for Legislators SB 503/aSFC/aSFI#1  
 ANALYST: Geisler

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
			NFI		

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

General Services Department (GSD)  
 Retiree Health Care Authority (RHCA)

### SUMMARY

#### Synopsis of SFI Amendment #1

Senate Floor Amendment Number 1 is a repeat of the Senate Finance Committee amendment described below.

#### Synopsis of Senate Finance Committee Amendment

Senate Finance Committee makes the following amendment to Senate Bill 503.

1. On page 2, line 20 the following new paragraph is inserted. “(5) the state shall not make any group insurance contributions for legislators. A legislator shall be eligible for group benefits only if the legislator contributes one hundred percent of the cost of the insurance.”
2. On page 6, line 8, strike “forty” and insert thereof “one hundred”. This is consistent with 1. above.
3. The balance of the bill is omitted (except Section 7), including the appropriation of \$100,000 in Section 6.

## **Senate Bill 503/aSFC -- Page 2**

The amendments still allow legislators to become members of the state group benefit plan but must bear the entire cost on their own. Since the state will not be making a contribution, the appropriation is not necessary.

### Synopsis of Original Bill

Senate Bill 503 would allow current state legislators to be covered under the health insurance benefits package administered by the Risk Management Division (RMD) of the General Services Department (GSD). The state would pay 60% and legislators would pay 40% of the monthly premiums to the RMD employee benefits fund, or directly to the insurer if authorized by the RMD Director. Former legislators could participate in the Retiree Health Care insurance plan, but the legislative member would pay the full cost of the coverage.

### **FISCAL IMPLICATIONS**

The bill makes a recurring \$100.0 general fund appropriation to the Legislative Council Service to support this program. According to GSD, the appropriation contained would cover approximately 70 people, which would include both legislators and their family members (26 legislator members at the current average family size). There are 112 legislators during the 46<sup>th</sup> Legislature. Per the RHCA, since this new group of eligible recipients would pay 100% of the premiums under the Retiree Health Care plans, it is not anticipated that there would be any fiscal implications.

### **ADMINISTRATIVE IMPLICATIONS**

RHCA notes that its staff growth has failed to keep pace with its enrollment growth; adding a new group of eligible retirees would further strain the administrative/service staff.

### **OTHER SUBSTANTIVE ISSUES**

This bill would establish a new “group” under the state’s medical plan and might provide health insurance coverage for people currently not covered by health insurance. Evaluation of the actuarial soundness of the GSD health benefits fund and its ability to handle the increased participation should be considered.

GG/njw/lis