FISCAL NOTE

Bill #:	SB0441	**Title:**	Alternative assessment for health assoc. plan and association portability plan
Primary Sponsor:	Chris Christiaens	**Status:**	As Introduced

Sponsor signature Date

Chuck Swysgood, Budget Director Date

Fiscal Summary

	FY2002 Difference	FY2003 Difference
Expenditures:		
Other	0	0
Revenue:		
Other	0	0
Net Impact on General Fund Balance:	**$0**	**$0**

Yes	No		Yes	No	
	X	Significant Local Gov. Impact		X	Technical Concerns
	X	Included in the Executive Budget	X		Significant Long-Term Impacts
	X	Dedicated Revenue Form Attached		X	Family Impact Form Attached

Fiscal Analysis

ASSUMPTIONS:

1. Because this bill is effective July 1, 2003, there is no fiscal impact in FY 2002 and FY 2003. (See below)

LONG-RANGE IMPACTS:

1. Starting in FY 2004, SB 441 will assess the two health benefit plans provided by the state for its employees: the State Employee Benefit Plan and the University Employee Health Benefit Plan. Currently, these two plans are not assessed. The amount which would be assessed against the two plans is one percent of commercial carriers' total health insurance premium, for the year, per covered life, applied to the number of individuals covered by these employee benefit plans. The Montana Insurance Commissioner's office (State Auditor's Office) quoted that in FY 2000 assessed carriers were assessed $1.40 per life insured per month. Extrapolating this data into FY 2004, using a 10 percent inflation for each ensuing year, and keeping the number of insured constant, the assessment to the State Employee Benefit Plan would be $774,900 in FY 2004 and $850,500 in FY 2005. The University Employee Health Benefit Plan would be assessed $185,730 in FY 2004 and $203,850 in FY 2005.