

FISCAL NOTE

SB 2505 - HB 3005

March 29, 2004

SUMMARY OF BILL: Creates the VolunteerCare Universal Health Care Coverage for Tennessee Act of 2004. Specifies the income limits and categories of eligible groups for a federal waiver. If the program's cost exceeds budget the commissioner must change eligibility standards. Allows the department to contract with health insurance carriers to provide insurance through employers. VolunteerCare Health Care Insurance is to arrange for the provision of comprehensive, affordable health care coverage to eligible small employers and the self-employed.

The bill creates a Board of Directors for VolunteerCare and requires the development of a high-risk pool. The board is to contract with private insurance carriers to provide coverage. The bill creates a saving offset payment from insurance carriers and a revenue account to use as matching dollars for TennCare. The Commissioner of Finance and Administration must obtain any necessary waivers or modifications necessary from the federal government to implement the VolunteerCare program in association with TennCare.

The bill requires insurance companies to utilize the current standardized claim form for professional services approved by the federal government. The Department of Commerce and Insurance is required to approve rates for individual and group policies unless actuarial estimates determine that a certain percentage of premiums will be used for medical care reimbursement.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - Exceeds \$10,000,000

Increase State Revenues - Exceeds \$1,000,000

Other Fiscal Impact - Increase Federal Expenditures - Exceeds \$20,000,000

Estimate assumes:

The bill significantly expands the waiver population in TennCare.

The VolunteerCare Universal Health Care Coverage program is another waiver program in TennCare to provide insurance

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through employers and would expand the number of eligible TennCare enrollees.

The amount of fiscal impact for the waiver expansion and the VolunteerCare Universal Health Care Coverage program cannot be determined but is estimated to exceed \$30,000,000.

The bill's requirement for a saving offset payment from insurance carriers is a tax. The amount of revenue from the tax cannot be determined but is estimated to exceed \$1,000,000.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with a large initial "J" and "W".

James W. White, Executive Director