

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 539 – SB 989

March 25, 2013

SUMMARY OF ORIGINAL BILL: Repeals the requirement that a majority of eligible employees in a local education agency (LEA) must approve a proposed insurance plan before the plan is adopted. Adds a provision requiring the local education insurance committee to make available, on an annual basis, claims data to brokers and insurance companies that seek to offer a plan to the LEA.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (005523): Deletes subsection (h) of Section 2 of the original bill and replaces it with language requiring the local education insurance committee to make available, on an annual basis, claims data to LEA's who will distribute it, upon request, to those seeking to offer quotes on insurance plans.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- Any increase in state expenditures to provide the required data is estimated to be not significant.
- Federal Health Insurance Portability and Accountability Act (HIPPA) guidelines may prevent the release of certain data.
- Removal of the approval provision by a majority of eligible employees could result in different insurance plans being adopted for local education agencies. It is assumed that costs related to any different plan would be comparable to costs for plans adopted under current law.
- According to the Tennessee Consolidated Retirement System, this bill as amended would have no impact on the pension fund.

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CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

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