

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 1814 - HB 1711

February 21, 2014

SUMMARY OF BILL: Requires the state health insurance plan to use excess amounts in the solvency reserve to decrease the out-of-pocket expense for members if the solvency reserve exceeds the actuarially-required target by 75 percent for two consecutive years.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact - Based upon recent balances of the solvency reserve, an unknown amount between \$50 and \$75 million could be utilized to reduce out-of-pocket expenses for plan members.

Assumption:

- The fiscal impact of this bill is dependent upon several unknown factors such as the balance in the solvency reserve at any given time, the extent of any balances that would exceed the 75 percent threshold, and the extent to which any excess funds above the 75 percent threshold would be utilized to reduce out-of-pocket expenses for plan members. Given the extent of unknown factors, determining a precise impact for this bill is difficult. However, and based on information concerning recent fund balances provided by the Department of Finance and Administration, the Division of Benefits Administration, an unknown amount between \$50 million and \$75 million could be utilized to reduce the out-of-pocket expenses of plan members.

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".

Lucian D. Geise, Executive Director

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