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FISCAL IMPACT REPORT

SPONSOR: Campos DATE TYPED: 02/07/01 HB _____
 SHORT TITLE: Amend Retiree Health Care Act SB 339
 ANALYST: Carrillo

APPROPRIATION

| Appropriation Contained | | Estimated Additional Impact | | Recurring or Non-Rec | Fund Affected |
|-------------------------|------|-----------------------------|------|----------------------|---------------|
| FY01 | FY02 | FY01 | FY02 | | |
| | | Minimal | | | |
| | | | | | |

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

Public School Insurance Authority
 Retiree Health Care Authority
 Commission on Higher Education

Office of the Attorney General
 State Department of Education

SUMMARY

Synopsis of Bill

Senate Bill 339 proposes to amend the Retiree Health Care Act to include (provided they have served at least four years):

- former legislators (and their eligible dependents),
- former members of certain boards (and their eligible dependents), and
- certain former county and municipal officers (and their eligible dependents).

Significant Issues

SB339 amends the Retiree Health Care Act by creating two additional categories of individuals eligible to participate in the Retiree Health Care Authority (RHCA) program. Former legislators and governing board members (from participating employers) who have served a minimum of four years, and are currently excluded from participation, would be eligible. These new categories of eligible retirees would be subject to a monthly participation fee set by the RHCA board. These retirees would be required to pay a monthly premium equal to one-twelfth of the cost of the claims and administrative costs of the selected plan of health care benefits.

FISCAL IMPLICATIONS

According to the RHCA staff, SB339 would not have an adverse impact on the Retiree Health Care Fund. Legislators and governing board members would pay 100 percent of their costs. The bill will not result in additional costs to the RHCA. Any revenue generation will be negligible.

ADMINISTRATIVE IMPLICATIONS

RHCA staff notes SB339 would not have an immediate administrative impact. However, over time, there will be a need for additional customer service personnel. The need for additional staff is proportional to the growth of enrollment in the program, currently about 7 percent annually.

WJC/njw