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FISCAL IMPACT REPORT

ORIGINAL DATE 2/17/07

SPONSOR Papen LAST UPDATED _____ HB _____

SHORT TITLE PRC Approval of Certain Appointments SB 563

ANALYST Earnest

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
NFI	NFI		

(Parenthesis () Indicate Expenditure Decreases)

Duplicates House Bill 589 and relates to House Bill 652.

SOURCES OF INFORMATION

LFC Files

Responses Received From

Public Regulation Commission (PRC)

SUMMARY

Synopsis of Bill

Senate Bill 563 would amend the insurance code to provide the PRC additional authority over Insurance Division matters.

- Section 1 would require approval of all appointments made by the superintendent of Insurance to boards, commissions or groups, etc.
- Section 2 would provides for PRC review of all orders of the superintendent of insurance as part of the appeal process; and
- Section 3 would provide for commission review of all managed health care determinations made by the external grievance appeals panel pursuant to the Patient's Protection Act, as amended by Section 4 of the bill, providing right to appeal.

FISCAL IMPLICATIONS

The bill would bring addition administrative costs in providing a level of review by the PRC. PRC notes, however, that such costs and time allocations cannot be determined at this time. Historically few cases have been appealed and it appears that any such cost can be absorbed in

the general operation of the commission.

ADMINISTRATIVE IMPLICATIONS

PRC will need to adopt procedural regulations governing the process of seeking their review of insurance decisions and appointments.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Senate Bill 563 duplicates House Bill 589 and relates to House Bill 652.

BE/mt