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FISCAL IMPACT REPORT

SPONSOR Ortiz y Pino ORIGINAL DATE 1/30/15
LAST UPDATED _____ HB _____

SHORT TITLE Small Employer Health Insurance Transparency SB 295

ANALYST Clark

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY15	FY16		
	No Fiscal Impact		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Office of Superintendent of Insurance (OSI)

SUMMARY

Synopsis of Bill

Senate Bill 295 enacts a new section of the Small Group Rate and Renewability Act to provide employers buying small group plans with two pieces of information: the broker's commission for the sale of each plan considered and the rate increases for that plan for the past five years. The superintendent of insurance shall adopt and promulgate rules to require this information.

FISCAL IMPLICATIONS

There is no fiscal impact.

SIGNIFICANT ISSUES

The Office of Superintendent of Insurance (OSI) notes most small group plans began on January 1, 2014, because they were required to change in order to meet the guidelines of the Affordable Care Act (ACA). All small group grandfathered plans will be phased out by the end of 2015. (Grandfathered plans are ones that existed before ACA was voted into law and do not meet the new requirements.) Therefore, five years of rates for each type of health benefit plan may not be available by the time this proposed legislation would go into effect.

OSI reports the bill, as written, would make it difficult for the agency to regulate for purposes of enforcement and standardization because of the absence of a requirement for documentation; if there is a statement specifying that documentation should be created, OSI can promulgate the specific requirements in rules and regulations.

JC/aml