

FISCAL NOTE
Requested by Legislative Council
12/27/2010

Bill/Resolution No.: HB 1126

1A. State fiscal effect: *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2009-2011 Biennium		2011-2013 Biennium		2013-2015 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues		\$1,000,000		\$32,000,000		
Expenditures		\$1,000,000		\$32,764,517		
Appropriations		\$1,000,000		\$32,764,517		

1B. County, city, and school district fiscal effect: *Identify the fiscal effect on the appropriate political subdivision.*

2009-2011 Biennium			2011-2013 Biennium			2013-2015 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2A. Bill and fiscal impact summary: *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

This bill is to plan and implement a health insurance exchange that meets the requirements of the federal health care law and any future regulations.

B. Fiscal impact sections: *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Section 1 of the bill authorizes the planning and implementation of the health insurance exchange and authorizes the Department, with Emergency Commission and Budget Section approval, to seek federal funding for this purpose.

3. State fiscal effect detail: *For information shown under state fiscal effect in 1A, please:*

A. Revenues: *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

This bill will allow the Department to seek Emergency Commission and Budget Section approval to receive additional federal funding that has been made available to plan and implement the health insurance exchange.

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

The bill increases expenditures for the 2009-2011 biennium by authorizing the Department to begin the planning process by contracting with experts in the health insurance industry to plan the structure of the exchange. In the 2011-2013 biennium 4 new FTEs will be hired to develop the health insurance exchange. The fiscal impact in the 2011-2013 biennium includes salaries and fringe (\$602,697), operating (\$2,161,820) and IT development (\$30,000,000) costs.

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

The Department is requesting an appropriation of \$1 million in the 2009-2011 biennium to access a federal planning grant to begin planning the health insurance exchange. The appropriation request of \$32,764,517 for the 2011-2013 biennium is to allow the Department to begin hiring FTEs and to develop the IT infrastructure needed to implement the health insurance exchange by the deadline established by the 2010 federal legislation.

Funding for costs not paid for by federal funds will come from the Insurance Regulatory Trust Fund as fund levels permit.

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