

FISCAL NOTE
 Requested by Legislative Council
 03/14/2011

Amendment to: HB 1364

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						
Expenditures				\$91,000		
Appropriations				\$91,000		

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).*

HB 1364 provides for a High Deductible Health Plan option with a Health Savings Account for the NDPERS Health Plan. BCBS has estimated that health premiums would increase \$13.26 per month for 2011-13. If utilization of the program is less than 15% the final cost of this program would be less.

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.*

Participants in the HDHP would have Health Savings Accounts (HSA's) that would be funded with the difference in premium between the NDPERS PPO Plan and the HDHP. The additional cost is to fund the HSA. The goal of this program is reduce long term utilization of the plan which would help reduce plan trends and future premium increases.

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.*

N/A

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 final expenditures are estimated based on 1% to 15% participation in a new HDHP option. The estimate of General Fund and Other Funds expenditures are shown in the table below based on the actual State contract participation percentage in the HDHP.

	General Fund	-	Other Funds
1.0% :	\$207,281	-	\$229,789
2.5% :	\$518,203	-	\$574,473
5.0% :	\$1,036,405	-	\$1,148,945
7.5% :	\$1,554,608	-	\$1,723,418
10.0% :	\$2,072,810	-	\$2,297,890
12.5% :	\$2,591,013	-	\$2,872,363

15.0% : \$3,109,215 - \$3,446,835

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 appropriation of \$91,000 is for NDPERS to pay for changes to the PERS business system to accommodate this new plan design and the additional cost of educational material and open enrollment information in offering this new plan design option.

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