

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0538-01
Bill No.: SB 33
Subject: Health, Public; Health Care; Labor and Industrial Relations Dept.; Employees-
Employers
Type: Original
Date: January 22, 2007

Bill Summary: Would require large employers to dedicate a percentage of profits for health care costs.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on FTE	0	0	0

- Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).
- Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Health and Senior Services**, the **Department of Insurance, Financial Institutions, and Professional Registration**, and the **Department of Revenue** assume this proposal would have no fiscal impact on their organizations.

Officials from the **Office of the Secretary of State (SOS)** stated that many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, we also recognize that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what our office can sustain with our core budget. Therefore, we reserve the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

In response to a similar proposal in the previous session(SB 944, LR 4655-01), officials from the **Office of the State Treasurer** assumed the proposal would have no fiscal impact on their organization.

Officials from the **Department of Labor and Industrial Relations (DOL)** assume this proposal would require employers with 10,000 or more employees to provide certain information regarding the amount of money spent by the employer on health care costs to DOL. Failure to provide the required information could result in a civil penalty of \$250 for each day that the information is not timely reported.

Each not for profit employer that does not spend up to eight percent of the total wages paid to employees, and each for profit employer that does not spend up to ten percent of the total wages paid to employees on health care costs, would be required to pay to DOL an amount equal to the difference between the required percentage of wages and the amount actually spent on health care costs. The moneys would be deposited into the Uncompensated Care Fund and would be appropriated to licensed hospitals and federally qualified health centers to reimburse them for providing uncompensated care.

ASSUMPTION (continued)

The proposal would impose additional duties on DOL, including establishing rules and forms, receiving and posting payments to the Uncompensated Care Fund, verifying which employers have 10,000 or more employees, and ensuring that all employers with 10,000 or more employees pay the appropriate amount.

DOL estimates one half time (.5) Management Analyst Specialist I the first year would be needed to establish rules and forms for the new program. Each year thereafter, the Department estimates the need for one half time (.5) Executive I position to assist with the routine duties under the legislation.

DOL submitted a cost estimate for the additional employees and related fringe benefits, equipment, and expense, totaling \$26,401 for FY 2008, \$21,266 for FY 2009, and \$21,904 for FY 2010.

Oversight assumes that the minimal additional duties required by the proposal could be absorbed with existing staff. If multiple proposals are enacted requiring additional duties or if unanticipated costs are incurred, resources could be requested through the budget process.

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

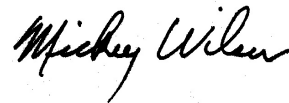
FISCAL DESCRIPTION

The proposed legislation appears to have no fiscal impact.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of the Secretary of State
Department of Health and Senior Services
Department of Insurance, Financial Institutions, and Professional Registration
Department of Labor and Industrial Relations
Department of Revenue



Mickey Wilson, CPA
Director
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