

STATEMENT OF PURPOSE

RS24219

This bill corrects an inadvertent error in Senate Bill 1014 (2013 Session Laws, Chapter 90) which eliminated a long time funding source to the Idaho Individual High Risk Reinsurance Pool established in Chapter 55, title 41, Idaho Code. Since 2000, Idaho Code § 41-406(d) has provided that one fourth of the insurance premium tax, to the extent it exceeded \$45 million, was appropriated to that High Risk Reinsurance Pool. Section 2 of Senate Bill 1014 eliminated that funding effective October 1, 2015, despite the fact that the bill's focus as reflected in its Title and Statement of Purpose was on three unrelated health and welfare programs: CHIP Plan B, Children's Access Card and the Small Business Health Insurance Pilot Program. The high risk pool funding mechanism was not mentioned in the Title or the Statement of Purpose. This bill reinstates the high risk pool's historical funding source and formula as it was before Senate Bill 1014 passed. This bill has a retroactive effective date to October 1, 2015, thereby correcting the error as if it had not occurred.

FISCAL NOTE

In 2013 Senate Bill 1014, which inadvertently repealed the individual high risk pool appropriation, had a fiscal note providing that it would have no impact on the general fund. Likewise, the proponent of the instant bill believes that there is no fiscal impact to the general fund in this bill, because the funds here at issue have not yet reached the general fund. However, a technical fiscal note would also explain that, absent amendment, Senate Bill 1014 will result in a loss of revenue to the high risk pool in the amount of \$5.7 million and a corresponding gain in revenue to the general fund in the amount of \$5.7 million. A further technical interpretation of the fiscal impact to this bill's correction could show that, without the allocation of the \$5.7 million to the high risk pool, health care costs would be shifted to medicaid, the indigent fund, the property tax payers, and ultimately to the consumer. Since inception, the Idaho high risk pool has paid out \$100,000,000 in claims and has served 10,656 Idahoans with severe high risk health conditions.

Supplemental Information: the Division of Financial Management included the revenue stream addressed by S 1265 in its forecast for general fund revenue in the amounts of \$3.5 million (FY 2016) and \$4.0 million (FY 2017).

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S1265