

SB 365-FN – AS INTRODUCED

2012 SESSION

12-2960

01/04

SENATE BILL ***365-FN***

AN ACT authorizing state residents to join the state health care program.

SPONSORS: Sen. Gallus, Dist 1; Rep. Gionet, Graf 3; Rep. Theberge, Coos 4

COMMITTEE: Executive Departments and Administration

ANALYSIS

This bill allows New Hampshire residents to join the state health insurance program.

Explanation: Matter added to current law appears in ***bold italics***.
 Matter removed from current law appears [~~in brackets and struck through.~~]
 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twelve

AN ACT authorizing state residents to join the state health care program.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 1 Purpose and Policy. Amend RSA 21-I:26 to read as follows:

2 21-I:26 Purpose and Policy. This subdivision is to provide permanent group life insurance and
3 group hospitalization, hospital medical care, surgical care and other medical and surgical benefits for
4 New Hampshire state employees and their families, and retired state employees and their spouses.
5 ***This subdivision may also provide group health benefits to residents of the state of New***
6 ***Hampshire at their own expense to be determined by the commissioner of the department of***
7 ***administrative services.*** In view of the accepted value of group insurance to the well-being and
8 efficiency of employees on the part of small and large private employers and the other 5 New
9 England states in obtaining benefits of this type of insurance for their employees, the state of New
10 Hampshire implements this subdivision in order that the state shall compare favorably to the
11 standards now commonly accepted by private employers and the state employees in the other 5 New
12 England states by making available to state employees and their families and retired state
13 employees and their spouses permanent group life insurance and group hospitalization, hospital
14 medical care, surgical care and other medical and surgical insurance benefits.

15 2 State Residents Added. Amend RSA 21-I:30, I to read as follows:

16 I. The state shall pay a premium for each state employee and permanent temporary or
17 permanent seasonal employee as defined in RSA 98-A:3 including spouse and minor, fully dependent
18 children, if any, and each retired employee, as defined in paragraph II of this section, and his or her
19 spouse, or retired employee’s beneficiary, only if an option was taken at the time of retirement and
20 the employee is not now living, toward group hospitalization, hospital medical care, surgical care and
21 other medical benefits plan or a self-funded alternative within the limits of the funds appropriated at
22 each legislative session and providing any change in plan or vendor is approved by the fiscal
23 committee of the general court prior to its adoption. Funds appropriated for this purpose shall not be
24 transferred or used for any other purpose. ***Residents of the state of New Hampshire may***
25 ***participate in the group health insurance plans at their own expense. Premiums for such***
26 ***residents shall be determined by the commissioner of the department of administrative***
27 ***services.***

28 3 Eligibility. Amend RSA 21-I:32 to read as follows:

29 21-I:32 Eligibility.

30 I. [~~Only~~] Full time state employees shall be authorized to participate, on a voluntary basis,
31 in the permanent group life insurance program. All full time state employees and retired state

1 employees shall be authorized to participate, on a voluntary basis, in the group hospitalization,
2 hospital medical care, surgical care and other medical and surgical benefits program.

3 ***II. Residents of the state of New Hampshire may participate in the group health***
4 ***insurance plans at their own expense. Premiums for such state residents shall be***
5 ***determined by the commissioner of the department of administrative services.***

6 4 Effective Date. This act shall take effect 60 days after its passage.

LBAO
12-2960
11/29/11

SB 365-FN - FISCAL NOTE

AN ACT authorizing state residents to join the state health care program.

FISCAL IMPACT:

The Department of Administrative Services states this bill would increase state revenues and expenditures in FY 2012 and each year thereafter. There will be no impact on county and local revenues or expenditures.

METHODOLOGY:

The Department of Administrative Services states this bill would allow New Hampshire residents to join the state employee health plan (State Plan) by paying the full share of the premium cost. The Department assumes only residents that would receive lower rates through the State Plan than directly from insurance carriers would enroll. The Department further assumes said individuals would have likely received higher premium rates directly from insurance carriers due to their own less favorable risk factors (i.e., current health status, age, etc...). As a result, the average costs per member in the State Plan could increase with the introduction of a population comprised of less healthy and/or higher risk individuals. The Department states for every individual who joins the State Plan, the state assumes additional risk that the claims associated with that individual will exceed the premium rate collected from that individual. As the State Plan is self-funded, the state would take on the traditional role of an insurance carrier. The Department states the state currently does not purchase any stop-loss insurance, therefore the State Plan's potential exposure for claims has no upper limit. The Department states it would likely need additional staff or obtain outside contracting to perform additional tasks such as eligibility determinations, collecting premium payments, and premium rate setting. The Department states it would likely incur additional vendor administrative fees as the insurance carriers, benefit managers, and eligibility vendors are asked to administer a greater number of groups. The Department states there are too many unknowns to estimate an overall fiscal impact of this bill.