

**Insurance Commissioner, including Insurance Tax Payments to Fire Departments  
Budget 401  
House Bill Nos. 1010, 1407**

	<b>FTE Positions</b>	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
2001-03 legislative appropriation	45.50		\$11,898,773	\$11,898,773
1999-2001 legislative appropriation	45.50		11,024,989	11,024,989
2001-03 appropriation increase (decrease) to 1999-2001 appropriation	0.00	\$0	\$873,784	\$873,784

**NOTE:** The 2001-03 legislative appropriation amounts include \$19,375 of other funds for the agency's share of the \$5,000,000 funding pool appropriated to the Office of Management and Budget for special market equity adjustments for classified employees.

**Item Description**

**Analysis of proposed health coverage mandates** - House Bill No. 1407 provides that if a legislative measure mandates health insurance coverage of services or payment for specified providers of services, the measure may not be acted on by any committee of the Legislative Assembly unless accompanied by a cost-benefit analysis. The cost-benefit analysis is to be conducted by a private entity contracted by the Legislative Council, after receiving recommendations from the Insurance Commissioner. The Budget Committee on Health Care has been assigned this responsibility. The bill provides the Insurance Commissioner a \$55,000 special funds appropriation for payment of the contract.

**Study of existing health coverage mandates** - House Bill No. 1407 provides the Insurance Commissioner a special funds appropriation of \$250,000 for the purpose of evaluating each existing health insurance coverage mandate and providing a report to the Legislative Council before July 1, 2002. In addition, the Insurance Commissioner may expend up to \$250,000 of unspent money from the 1999-2001 biennium if the expenditure does not reduce the projected transfers from the insurance regulatory trust fund to the general fund.

**Anhydrous tank inspections** - Section 7 of House Bill No. 1010 provides that \$75,000 is available from the anhydrous ammonia storage facility inspection fund to pay for anhydrous tank inspections done by the Insurance Commissioner.

**Status/Result**

The Insurance Department recommended the Legislative Council contract with Milliman USA, Consultants and Actuaries, Minneapolis, Minnesota, to conduct future cost-benefit analyses of legislative measures mandating health insurance coverage of service or payment for specified providers of services. It is estimated that each analysis could be completed within two or three weeks at an estimated cost from \$5,000 to \$15,000 per analysis.

The Insurance Department has signed a contract with Milliman USA to conduct a cost-benefit analysis of existing health insurance coverage mandates at a cost not to exceed \$200,000. The department anticipates using unspent moneys from the 1999-2001 biennium to fund the cost of the evaluation. The evaluation is anticipated to be completed and presented to the Budget Committee on Health Care in June 2002.

As of February 2002, the Insurance Department has not yet billed the anhydrous ammonia storage facility inspection fund for expenses incurred by Insurance Department personnel conducting anhydrous tank inspections, but the department does anticipate submitting a bill before the end of the 2001-03 biennium.