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FISCAL IMPACT STATEMENT

LS 7158

BILL NUMBER: HB 1459

NOTE PREPARED: Feb 3, 2005

BILL AMENDED:

SUBJECT: Former Legislator Health Benefits.

FIRST AUTHOR: Rep. Woodruff

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill removes the statutory authority of the Speaker of the House of Representatives and the President Pro Tempore of the Senate to elect to pay any part of the health insurance premium of a former legislator after December 31, 2005. The bill repeals a health insurance plan for former legislators enacted in 2001. It also voids any election made before January 1, 2006, to pay the premiums of former legislators.

The bill permits a former legislator or spouse to continue in the group health insurance program if the former legislator or spouse pays the entire premium charged for the group health insurance program.

Effective Date: January 1, 2006.

Explanation of State Expenditures: The state currently pays a share of the health insurance premium for former state legislators (or surviving spouses) who have at least 10 years of service credit as a member of the General Assembly. The amount paid by the state is the same percentage employer share of the premium paid for other state employees as existed at the time of the legislator's retirement. This bill eliminates the authority of the House and Senate to pay for any part of the health insurance premiums of former legislators and spouses beginning January 1, 2006. The estimated reduction in state expenditures from the state General Fund is approximately \$247,000 annually, based on current enrollment in the insurance plans.

The bill also eliminates the statutory requirement that the Department of Personnel offer Medicare supplement insurance policies to retired state employees who become eligible for Medicare coverage. The statutory requirement is that at least two policies be offered: one providing medical coverage only, and the other

providing medical coverage along with coverage for prescription drug benefits. Currently, 18 individuals are enrolled in the Medicare supplement plans; 6 with medical coverage only and 12 with medical coverage plus prescription drug coverage. Although the statutory requirement to provide these policies is eliminated, elimination of the program will depend on administrative actions.

Background Information: Currently, there are 21 policies for health insurance (20 family and 1 single), 21 policies for dental coverage (19 family and 2 single), and 12 policies for vision coverage (10 family and 2 single) under the retired legislator health insurance program.

The annual premiums for health insurance or coverage under HMO plans currently range from \$3,810 to \$5,104 for single coverage and \$10,668 to 13,981 for family coverage. The annual premiums for dental coverage currently range from \$197 to \$207 for single coverage and from \$513 to \$673 for family coverage. And the annual premiums for vision coverage are approximately \$46 for single coverage and \$116 for family coverage. The current aggregate annual cost for the state share of these policies is about \$247,000.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: General Assembly; Department of Personnel.

Local Agencies Affected:

Information Sources:

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