

**EXECUTIVE AGENCY  
FISCAL NOTE**

AGENCY'S ESTIMATES

Date Prepared: March 29, 2015

Agency Submitting: Business and Industry, Division of Insurance

Items of Revenue or Expense, or Both	Fiscal Year 2014-15	Fiscal Year 2015-16	Fiscal Year 2016-17	Effect on Future Biennia
(Expense)		\$38,373	\$73,456	\$146,912
Total	0	\$38,373	\$73,456	\$146,912

Explanation

(Use Additional Sheets of Attachments, if required)

Currently, only individual and small group health benefit plans are required to complete and submit a formulary template to the Division of Insurance (DOI) on an annual basis. This template was developed by CMS and only applies to individual and small group health benefit plans. SB 328 requires the DOI to update the DOI website each time changes to the carrier's formulary occurs. This could possibly be a weekly or monthly submission and require constant monitoring and maintenance.

Additionally, this bill includes large group, custom plans and PEBP health plans. These health products are not required to complete and submit a formulary template. The inclusion of these product types would require the DOI to develop a template and reporting structure that is currently not in place. These product types are designed and selected by large employers. Again, when a change occurs to the formulary, carriers must submit an updated template to the Division and the website must be updated. This could possibly be a weekly or monthly submission by each carrier, which would require constant monitoring and maintenance. The number of these formularies could well be in the hundreds.

The effective date could not be any sooner than January 1, 2017 to allow for the design of templates, data reporting structure, training and passage of regulatory guidance.

As written, the DOI would require one full time Management Analyst III to develop and test with an anticipated start date of January 1, 2016.

Name Sandi Bailey

Title ASO I

**DEPARTMENT OF ADMINISTRATION'S COMMENTS**

Date Tuesday, March 24, 2015

The agency's response appears reasonable.

Name James R. Wells, CPA

Title Interim Director

## BAV Line Item Summary

Date: 3/23/15 11:40 AM

Budget Period: 2015-2017 Biennium (FY16-17)

Budget Account: 3813 B&amp;I - INSURANCE REGULATION

Version: W01 BDR 57-794

GL	Description	Grp	Year 1	Year 2
5100	SALARIES	EXP	21,712	44,540
5200	WORKERS COMPENSATION	EXP	515	875
5300	RETIREMENT	EXP	6,079	12,471
5400	PERSONNEL ASSESSMENT	EXP	132	267
5500	GROUP INSURANCE	EXP	4,318	8,330
5700	PAYROLL ASSESSMENT	EXP	30	62
5750	RETIRED EMPLOYEES GROUP INSURANCE	EXP	482	1,007
5800	UNEMPLOYMENT COMPENSATION	EXP	28	57
5840	MEDICARE	EXP	315	646
7050	EMPLOYEE BOND INSURANCE	EXP	1	1
7054	AG TORT CLAIM ASSESSMENT	EXP	116	116
705A	NON B&G - PROP. & CONT. INSURANCE	EXP	2	3
7110	NON-STATE OWNED OFFICE RENT	EXP	2,342	4,755
7255	B & G LEASE ASSESSMENT	EXP	31	63
7292	EITS VOICE MAIL	EXP	3	3
7295	EITS STATE PHONE LINE	EXP	12	12
7533	EITS EMAIL SERVICE	EXP	7	7
7554	EITS INFRASTRUCTURE ASSESSMENT	EXP	133	138
7556	EITS SECURITY ASSESSMENT	EXP	103	103
7771	COMPUTER SOFTWARE <\$5,000 - A	EXP	330	0
8241	NEW FURNISHINGS <\$5,000 - A	EXP	400	0
8371	COMPUTER HARDWARE <\$5,000 - A	EXP	1,282	0
			38,373	73,456
Effect on Future Biennia - Equals Year 2 (73,456) x's 2				146,912