SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number:	S. 0061 Prefiled on December 13, 2016
Author:	Hutto
Subject:	State Health Plan Eligibility
Requestor:	Senate Finance
RFA Analyst(s):	Shuford
Impact Date:	January 11, 2017

Estimate of Fiscal Impact

	FY 2017-18	FY 2018-19
State Expenditure		
General Fund	$0	$0
Other and Federal	$0	$0
Full-Time Equivalent Position(s)	0.00	0.00
State Revenue		
General Fund	$0	$0
Other and Federal	$0	$0
Local Expenditure	Undetermined	$0
Local Revenue	$0	$0

Fiscal Impact Summary
This bill will have no expenditure impact on the General Fund, Federal Funds, or Other Funds since PEBA must charge an actuarially sound amount of premiums estimated to cover the additional expenses for each political subdivision that becomes eligible to join the state health and dental plans. Any local expenditure impact is undetermined due to the permissive nature of the bill and depends on their current health and dental insurance costs compared to the amount PEBA determines as an actuarially sound amount of premiums for each entity.

Explanation of Fiscal Impact

Prefiled on December 13, 2016
State Expenditure
This bill provides that employees and retirees and their eligible dependents of political subdivisions of the state, or a governmental agency or instrumentality of such political subdivision are eligible for coverage under the state health and dental insurance plans. Currently, participation in the health and dental programs is limited to state and public school active and retired employees and their eligible dependents. Additionally, Section 1-11-710(A) lists other entities eligible for coverage, which include counties, municipalities, and other associations.

The SC Public Employee Benefits Authority (PEBA) indicates that Senate Bill 61 will have no expenditure impact on the General Fund, Federal Funds, or Other Funds since PEBA must charge an actuarially sound amount of premiums estimated to cover the additional expenses for each political subdivision that becomes eligible to join the state health and dental plans. We are unable to determine how many additional political subdivisions, employees, or retirees may become eligible pursuant to this bill. However, PEBA indicates an additional 100 local political subdivisions participate in the state retirement system but not in the health and dental plans. Regardless of the additional number of local political subdivisions or employees, we anticipate no expenditure impact as PEBA is required to set an actuarially sound premium amount when an entity elects to join the state health and dental plans.

State Revenue
N/A

Local Expenditure
Due to the permissive nature of the bill, any expenditure impact on local political subdivisions depends on their current health and dental insurance costs compared to the amount PEBA determines as an actuarially sound amount of premiums for each entity.

Local Revenue
N/A

Frank A. Rainwater, Executive Director