

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1960 - SB 2007

March 3, 2024

SUMMARY OF BILL: Authorizes public hospitals to establish a state employee and retiree healthcare incentive program that will allow for the waiver of any or all applicable out-of-pocket expenses associated with medical, surgical, or mental health care at the public hospital, including deductibles, copays, and co-insurance, for state employees and retirees and their covered dependents participating in the State Group Insurance Plan (SGIP) under this part.

FISCAL IMPACT:

Other Fiscal Impact – The proposed legislation could result in an increase in costs and premiums to the State Group Insurance Program. Such increases are dependent on the number of participating hospitals and the decisions of state employees and retirees and cannot be reasonably determined.

Assumptions:

- It is unknown how many public hospitals will elect to adopt a healthcare incentive program, or what the per unit cost will be at these hospitals.
- If participating hospitals have a higher per unit costs than other neighboring hospitals, costs to the SGIP may increase from state employees and retirees choosing these facilities over hospitals with lower per unit costs.
- The proposed legislation could also incentivize state employees and retirees to select higher deductible plans, which may result in an increase in premiums under the SGIP. Such increase is dependent on a number of unknown factors, and cannot be reasonably determined.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner".

Krista Lee Carsner, Executive Director

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