



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

SENATE BILL NO. 293

PRINTERS NO. 988

PRIME SPONSOR: Eichelberger

COST / (SAVINGS)

FUND	FY 2014/15	FY 2015/16
Insurance Regulation & Oversight Fund	\$0	See "Fiscal Impact" below.

SUMMARY:

Senate Bill 293 is a freestanding bill that would establish the Navigator and Exchange Assister Accessibility and Regulation Act. It would take effect February 15, 2016, or at the close of the 2016 open enrollment period for health insurance plans purchased through a health insurance exchange, whichever is later.

ANALYSIS:

This legislation creates a freestanding act providing a regulatory framework for the Pennsylvania Insurance Department to register navigators and exchange assisters. Navigators and exchange assisters are individuals or organizations that provide public education and assistance to consumers or groups seeking to purchase health insurance through a health insurance exchange established or operated under the Federal health care act.

Any individual or organization acting as a navigator or exchange assister is required to register with the Insurance Department on a form approved by the Department. The Department must review each application and may conduct an investigation of each applicant. The Department must issue a registration, as appropriate, to an applicant when it determines that the applicant has complied with all the requirements contained in the legislation, which includes a criminal background check and the payment of an application fee as established by the Department. Registrations issued by the Department will be good for two years from the date of issue. The Department must also maintain and make available to the public a searchable list of all registrants on its publicly accessible website.

This legislation places certain limitations on the activities of navigators and exchange assisters, primarily limiting them from engaging in activities for which licensure as a producer is required, except as permitted by Federal laws and regulations. It also establishes an enforcement procedure for navigators and assisters who violate the law, which includes due process protections for suspected violators and penalties. The penalties can include the revocation of an individual's registration and a civil penalty of up to \$5,000 for each violation.

FISCAL IMPACT:

Enactment of this legislation is expected to have only a minimal impact on Commonwealth funds. The Insurance Department estimates it will cost \$183,000 to implement this legislation. Of this total, \$100,000 would be one-time information technology costs and \$83,000 would be recurring costs for hiring one additional staff member. In 2014-15 the Insurance Department's total budget is \$22,842,000, so these additional costs represent less than 1% of that total.

It should also be noted that Senate Bill 293 allows the Insurance Department to charge a registration fee to navigator and exchange assister applicants. The Insurance Department does not have sufficient data at this time to estimate how much that fee will be or how many individuals will pay it, but presumably it will offset at least a portion of the additional costs, further minimizing the overall impact on the Commonwealth.

PREPARED BY: Jeff Miller
House Appropriations Committee (R)

DATE: June 2, 2015

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.