

January 23, 2018 Special Election

Referendum #301

Referring portions of HB 2391

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Final Draft Estimate of Financial Impact:

Revenue from this measure is included in the 2017-19 state budget to pay for health care for low-income adults, children and families and individuals with disabilities and to stabilize health insurance premiums paid by individuals and families.

Revenue will come from a 0.7% assessment on certain hospitals, as well as a 1.5% assessment on the Public Employees Benefit Board, managed care organizations, and insurers. Insurers may not increase rates for consumers by more than 1.5% to recover this assessment.

If the measure passes, the health care program and health insurance premiums stabilization program are funded as adopted by the 2017 Legislative Assembly.

If the measure is defeated there will be a reduction of \$210-\$320 million in state revenue, resulting in a possible reduction of \$630-\$960 million, or more in federal Medicaid matching funds. The total revenue reduction to the 2017-19 state budget may be \$840 million-\$1.3 billion or more.

Although there is no direct financial effect on local government revenues, there may be an indeterminate effect on local government expenditures related to increases in associated insurance assessments. There is likely to be an indirect and indeterminate effect on the state economy and local government revenues and expenditures.