



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 2234

PRINTER'S NO. 3056

PRIME SPONSOR: Kim

COST / (SAVINGS)

| FUND | FY 2023/24 | FY 2024/25 |
|---|------------|-------------------|
| Pennsylvania Health Insurance Exchange Fund | \$0 | See Fiscal Impact |

SUMMARY:

House Bill 2234, Printer's Number 3056 allows the health insurance exchange authority to fund a health insurance affordability assistance program in addition to the existing reinsurance program.

ANALYSIS:

This legislation amends Title 40 (Insurance) of the Pennsylvania Consolidated Statutes to allow the health insurance exchange authority (Authority) to use revenue collected from fees paid by health insurance companies to fund the reinsurance program, the affordability assistance program, or both programs during plan year 2025. The Authority can only fund the affordability assistance program if the Insurance Commissioner determines that alternative funds are available to fund the reinsurance program in a manner that satisfies the approved federal waiver for the reinsurance program.

In addition to funding the affordability assistance program, this legislation requires the Department of Insurance to submit a state innovation waiver to the federal government to continue the reinsurance program.

This legislation will take effect immediately.

FISCAL IMPACT:

The Pennsylvania Health Insurance Exchange Fund, which receives revenue from fees paid by health insurance companies, currently funds the administrative costs of the Authority and the reinsurance program. This legislation requires the Insurance Commissioner to identify alternative funds to fund the reinsurance program in order for the Authority to implement the affordability assistance program.¹

PREPARED BY: Mara Perez, Senior Budget Analyst
House Appropriations Committee (D)

DATE: June 5, 2024

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

¹ Once an alternative funding source is identified the Pennsylvania Health Insurance Exchange Fund would have a sufficient balance to enable the Authority to implement the affordability assistance program.