

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Chief Financial Officer

Natwar M. Gandhi
Chief Financial Officer



MEMORANDUM

TO: The Honorable Linda W. Cropp
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi
Chief Financial Officer

DATE: June 28, 2001

SUBJECT: Fiscal Impact Statement: "Continuation of Health Coverage Act of 2001"

REFERENCE: Draft Legislation – No Bill Number Available ([B 14-235](#))

Conclusion

Funds are sufficient in the FY 2002 through FY 2005 budget and financial plan because no additional staff or financial resources will be required to implement the components of the proposed legislation. The proposed legislation will not have an impact on General Fund revenue.

Background

The proposed legislation creates a health insurance continuation for anyone, or anyone's covered dependents, who separates from a business that employs less than 20 people. Provisions of the proposed legislation allow a continuation of benefits for a period of three months if the employee abides by notification and eligibility criteria. The premium payment for the continuation may not be increased to more than 102 percent of the group rate. Provisions of the proposed legislation speak to notice filing deadlines for the employee and the employer, criteria for coverage and criteria for eligibility.

Financial Plan Impact

Funds are sufficient in the FY 2002 through FY 2005 budget and financial plan. No additional staff or resources will be required to implement the provisions of the proposed legislation. The proposed legislation would only have a minimal impact on private health plan premiums. The proposed legislation is expected to result in premium increases of less than 1 percent.