

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 25, 2002

SUBJECT: Fiscal Impact Statement: "Department of Insurance and Securities Regulation Procurement Act of 2002"

REFERENCE: Bill Number 14-571 as Introduced

Conclusion

Funds are sufficient in the FY 2003 through FY 2006 budget and financial plan to implement the proposed bill.

Background

The Department of Insurance and Securities Regulation Procurement Act of 2002 would exempt the Department of Insurance and Securities Regulation (DISR) from the District of Columbia Procurement Practices Act of 1985. DISR already has authority to hire financial and legal experts to assist in the examination and expert review of private entities and assess the costs of the examination to such entities. The proposed bill would exempt DISR in such cases from DC procurement rules where no DC funds are being spent. For example, the exemption would allow DISR to expedite the hiring of legal and financial experts to help its review of the proposed conversion of Group Hospitalization and Medical Services Inc. (GHMSI) from a non-profit to a for-profit hospital. The procurement exemption would also assist DISR with the acquisition of GHMSI by Wellpoint Health Networks.

Financial Plan Impact

The proposed bill has no fiscal impact because it does not authorize expenditure of any funds for the procurement exemption. As a result, funds are sufficient in the FY 2003 through FY 2006 budget and financial plan to implement the proposed bill.