



**Colorado
Legislative
Council
Staff**

HB16-1148

FISCAL NOTE

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 16-0849 **Date:** February 1, 2016
Prime Sponsor(s): Rep. Sias **Bill Status:** House SVMA
 Sen. Roberts; Kefalas **Fiscal Analyst:** Bill Zepernick (303-866-4777)

BILL TOPIC: HEALTH BENEFIT EXCHANGE RULES AND POLICIES

Fiscal Impact Summary	FY 2016-2017	FY 2017-2018
State Revenue		
State Expenditures	Minimal workload increase.	
Appropriation Required: None.		
Future Year Impacts: Minimal ongoing workload increase.		

Summary of Legislation

The bill makes several changes concerning rules and policies proposed by Connect for Health Colorado, the state's health insurance marketplace under the federal Affordable Care Act, that affect the following areas:

- bidding and awarding contracts;
- insurance carriers and regulation of carrier participation on the exchange;
- regulation of broker participation and compensation;
- interactions with other state agencies;
- management and compensation of the assistance network; and
- the handling of customer appeals.

First, Connect for Health Colorado is required to hold a public meeting and allow for public comment on the proposed rule or policy change. Second, the bill gives the Colorado Health Insurance Exchange Oversight Committee (oversight committee) additional authority to review and repeal rules and policies adopted by Connect for Health Colorado. Connect for Health Colorado, at the request of a committee member, must give a presentation to the oversight committee about a proposed rule.

The oversight committee, by a majority vote, may repeal a rule or policy adopted by Connect for Health Colorado. The oversight committee has the authority to review and repeal or approve any rule or policy in the areas mentioned above that were implemented after January 1, 2015. The oversight committee may also review contracts and the associated bidding processes for contracts entered into by Connect for Health Colorado after January 1, 2015.

Background

The Colorado Health Insurance Exchange Oversight Committee is a year-round legislative committee that was established under Senate Bill 11-200 when Connect for Health Colorado was created. The oversight committee currently has several key functions, including reviewing the financial and operational plans of Connect for Health Colorado and approving the appointment of its executive director. The oversight committee is authorized to meet an unlimited number of times during the legislation session and up to seven times during the legislative interim.

State Expenditures

The bill increases workload for the Legislative Department by a minimal amount. It is assumed that any additional work by the oversight committee can be accomplished within the number of meetings allocated to the committee under current law. Legislative Council Staff will have additional workload to coordinate with Connect for Health Colorado to arrange meetings and prepare material for the review of exchange rules, policies, or contracts. This work does not require any additional appropriation to the Legislative Department.

Statutory Public Entity Impact

Under the bill, Connect for Health Colorado will require 1.0 FTE at a cost of \$75,000 per year for staff to manage the required public hearing process and to prepare materials for review by the oversight committee. The fiscal note assumes these costs will be paid using existing revenue sources to Connect for Health Colorado, including fees charged to health insurers, donations through the premium tax credit deduction, grants, and other sources.

Effective Date

The bill takes effect June 1, 2016.

State and Local Government Contacts

Colorado Health Benefit Exchange
Legal Services
Regulatory Agencies

Health Care Policy and Financing
Legislative Council Staff