



Legislative
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FISCAL NOTE

Drafting Number:	LLS 18-1036	Date:	April 16, 2018
Prime Sponsors:	Rep. Roberts; Catlin Sen. Coram; Donovan	Bill Status:	House Health, Insurance, and Environment
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Bill Topic: STUDY HEALTH CARE COVERAGE OPTIONS

Summary of Fiscal Impact:

<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input checked="" type="checkbox"/> Statutory Public Entity (<i>minimal</i>)

This bill requires the Department of Health Care Policy and Financing and Regulatory Agencies to study various options for health care coverage. It increase state expenditures in FY 2018-19 only.

Appropriation Summary: In FY 2018-19, the bill requires a General Fund appropriation of \$225,000 to the Department of Health Care Policy and Financing and \$135,141 to the Department of Regulatory Agencies.

Fiscal Note Status: The fiscal note reflects the introduced bill.

Table 1
State Fiscal Impacts Under HB 18-1384

		FY 2018-19	FY 2019-20
Revenue		-	-
Expenditures	General Fund	\$360,141	-
	Centrally Appropriated	\$835	-
	Total	\$360,976	-
	Total FTE	0.1 FTE	-
Transfers		-	-
TABOR Refund		-	-

Summary of Legislation

This bill requires the Department of Health Care Policy and Financing (HCPF), in conjunction with the Division of Insurance in the Department of Regulatory Agencies (DORA), to study three options for health care coverage: a Medicaid buy-in option; a public-private partnership option, and a community or regionally based cooperative health plan affiliated with a private carrier. The departments must report on the most feasible option based on affordability, administrative and financial burden to the state, ease of implementation, and likelihood of success. The bill outlines specific criteria that must be included in the report.

HCPF and DORA must consult with the Colorado Health Benefit Exchange, public and private health insurance experts, as well as various other stakeholders. The report must be submitted to the Joint Budget Committee and the health committees of the General Assembly no later than February 15, 2019.

State Expenditures

For FY 2018-19 only, this bill will increase state General Fund expenditures by \$360,979, as shown in Table 2 and described below.

**Table 2
 Expenditures Under HB 18-1384**

Cost Components	FY 2018-19	FY 2019-20
Department of Health Care Policy and Financing		
Contracting Costs	\$150,000	-
Actuarial Analysis	\$75,000	-
Dept (Subtotal)	\$225,000	-
Department of Regulatory Agencies		
Personal Services	\$9,141	-
Actuarial Analysis	\$126,000	-
Centrally Appropriated Costs*	\$835	-
FTE – Personal Services	0.1 FTE	-
Dept (Subtotal)	\$135,976	-
Total	\$360,976	-
Total FTE	0.1 FTE	-

* Centrally appropriated costs are not included in the bill's appropriation.

Department of Health Care Policy and Financing. In FY 2018-19, HCPF will require 750 hours of consulting at \$200 per hour, or \$150,000, to research, collect, and analyze data relating to the feasibility and cost of implementing a Medicaid buy-in option, a public-private partnership option, or a community or regional based option for health care, as required by the bill. Additionally, HCPF will require \$75,000 for actuarial analysis related to the Medicaid buy-in and the public-private options that will be included in the report. It is assumed that the funding for this bill will not be eligible for federal financial participation, as the study will focus on health initiatives for the general public.

Department of Regulatory Agencies. In FY 2018-19, the Division of Insurance will require 400 hours of consulting at \$315 per hour, or \$126,000, to perform the actuarial analysis required by the bill. This analysis will focus specifically on private insurance. Additionally, the division will require 0.1 FTE to act as actuarial support and assist in writing the report in conjunction with HCPF.

Centrally appropriated costs. Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which include employee insurance and supplemental employee retirement payments, are estimated to be \$835 in FY 2018-19.

Statutory Public Entity

In FY 2018-19 only, workload may increase for Connect for Health Colorado to assist in conducting the study required by the bill. It is assumed that this workload will be minimal.

Effective Date

The bill takes effect August 8, 2018, if the General Assembly adjourns on May 9, 2018, as scheduled, and no referendum petition is filed.

State Appropriations

In FY 2018-19, this bill requires the following General Fund appropriations:

- \$225,000 to the Department of Health Care Policy and Financing; and
- \$135,141, and an allocation of 0.1 FTE, to the Department of Regulatory Agencies.

State and Local Government Contacts

Colorado Health Benefit Exchange
Information Technology

Health Care Policy and Financing
Regulatory Agencies