

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING THE CREATION OF THE COLORADO REINSURANCE PROGRAM TO PROVIDE REINSURANCE PAYMENTS TO HEALTH INSURERS TO AID IN PAYING HIGH-COST INSURANCE CLAIMS, AND, IN CONNECTION THEREWITH, AUTHORIZING THE COMMISSIONER OF INSURANCE TO SEEK APPROVAL FROM THE FEDERAL GOVERNMENT TO WAIVE APPLICABLE FEDERAL REQUIREMENTS, REQUEST FEDERAL FUNDS, OR BOTH, TO ENABLE THE STATE TO IMPLEMENT THE PROGRAM AND MAKING THE PROGRAM CONTINGENT UPON WAIVER OR FUNDING APPROVAL.

Prime Sponsors: Reps. McCluskie and Rich
Sens. Donovan and Rankin

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Fiscal Impact of Bill as Amended to Date

The most recent Legislative Council Staff Fiscal Note (attached) reflects the fiscal impact of the bill as of 02/26/19.

XXX	No Change: Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill
	Update: Fiscal impact has changed due to <i>new information or technical issues</i>
	Update: Fiscal impact has changed due to <i>amendment adopted</i> after LCS Fiscal Note was prepared
	Non-Concurrence: JBC Staff and Legislative Council Staff disagree about the fiscal impact of the bill

The House Committee on Health and Insurance Report (02/27/19) includes amendments to the bill, however, Legislative Council Staff and JBC Staff agree that the committee amendments do not change the fiscal impact of the bill.

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
J.001	Staff-prepared appropriation amendment

Current Appropriations Clause in Bill

The bill requires but does not contain an appropriation clause.

Description of Amendments in This Packet

J.001 Staff has prepared amendment **J.001** (attached) to add a provision appropriating \$785,904 cash funds from the Division of Insurance Cash Fund to the Department of Regulatory Agencies for FY 2019-20. This provision also states that the appropriation is based on the assumption that the Department will require an additional 3.0 FTE to implement the act.

Points to Consider

General Fund Impact

The general appropriations bill for FY 2019-20 has not yet been introduced. As described on page three of the attached Fiscal Note, this bill will reduce General Fund revenues by an estimated \$785,904 in FY 2019-20, reducing the amount of General Fund available for other purposes.

Pursuant to Section 10-3-209 (4), C.R.S., taxes on insurance premiums are credited to the Division of Insurance Cash Fund (with a maximum transfer of five percent of premium tax collections) to cover appropriations made by the General Assembly. Any increase in appropriations reduces the amount of tax revenues deposited in the General Fund, thereby reducing the amount of General Fund available for other purposes.