



**Colorado
Legislative
Council
Staff**

SB17-300

FISCAL NOTE

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

Drafting Number: LLS 17-0871
Prime Sponsor(s): Sen. Lambert
Rep. Kennedy

Date: May 1, 2017
Bill Status: Senate Health and Human Services
Fiscal Analyst: Clare Pramuk (303-866-2677)

BILL TOPIC: HIGH-RISK HEALTH CARE COVERAGE PROGRAM

Fiscal Impact Summary	FY 2017-2018	FY 2018-2019
State Revenue Cash Funds	Potential gifts, grants, and donations. See State Revenue section.	
State Expenditures Cash Funds Federal Funds	Increased workload and potential expenditure increase. See State Expenditures section.	
Appropriation Required: None.		
Future Year Impacts: Ongoing potential revenue and expenditure increase.		

Summary of Legislation

This bill requires the Commissioner of Insurance in the Department of Regulatory Agencies to develop, by rule, a program to provide health care coverage to high-risk individuals and reduce health insurance premiums in the individual market. Specifically, the commissioner:

- may examine options for the program including creating a high-risk pool or a reinsurance program;
- is required to comply with federal laws and regulations in order to qualify for federal financial support;
- is required to develop a waiver proposal and may apply to the United States Secretary of Health and Human Services for a waiver from the provisions of the Affordable Care Act;
- is required to develop, by rule, a list of presumptive medical conditions that have a high risk of above-average health care costs to determine program eligibility;
- may implement a state plan meeting the waiver requirements consistent with state and federal law; and
- may seek, accept, and expend gifts, grants, or donations from private or public sources to implement the bill.

State Revenue

The bill may increase TABOR-exempt state revenue from gifts, grants, and donations to the Division of Insurance Cash Fund, but no source of such funding has been identified.

State Expenditures

This bill will increase workload for the Division of Insurance in the Department of Regulatory Agencies beginning in FY 2017-18 and may potentially increase expenditures of state and federal funds to operate a high-risk health care coverage program. The division will hold stakeholder meetings, conduct research, and develop and promulgate rules for a high-risk health care coverage program. The division will utilize legal services hours from the Department of Law to develop and promulgate the rules and existing division staff to coordinate the stakeholder meetings, develop the list of presumptive conditions, and complete the federal waiver application. This workload can be accomplished within existing appropriations.

The program may qualify for federal financial support, but that amount will depend on a variety of factors including the type of plan developed and changes to federal health care law so cannot be determined. The actual implementation of a high-risk health care coverage program may require an additional funding source. The fiscal note assumes this funding, if needed, will be requested through the annual budget process.

Effective Date

The bill takes effect August 9, 2017, if the General Assembly adjourns on May 10, 2017, as scheduled, and no referendum petition is filed.

State and Local Government Contacts

Health Care Policy and Financing
Law
Regulatory Agencies

Information Technology
Personnel