



**Legislative Council Staff**

*Nonpartisan Services for Colorado's Legislature*

**Fiscal Note**

<b>Drafting Number:</b>	LLS 24-0623	<b>Date:</b>	February 1, 2024
<b>Prime Sponsors:</b>	Sen. Smallwood; Rodriguez Rep. Velasco	<b>Bill Status:</b>	Senate Health & Human Services
		<b>Fiscal Analyst:</b>	Brendan Fung   303-866-4781 brendan.fung@coleg.gov

**Bill Topic:                    MAXIMUM NUMBER OF EMPLOYEES TO QUALIFY AS SMALL EMPLOYER**

<b>Summary of Fiscal Impact:</b>	<input type="checkbox"/> State Revenue	<input type="checkbox"/> State Transfer	<input type="checkbox"/> Local Government
	<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> TABOR Refund	<input type="checkbox"/> Statutory Public Entity

The bill changes the definition of small employer for health insurance coverage. It minimally increases state expenditures beginning in FY 2024-25.

**Appropriation Summary:** No appropriation is required.

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

**Summary of Legislation**

Current law defines a small employer eligible for a small group health benefit plan as an individual, firm, corporation, partnership, or association that employs between one and 100 employees. The bill reduces the upper threshold to 50 employees on January 1, 2026.

**State Expenditures**

The bill increases workload in the Department of Regulatory Agencies to review additional large group rate filings resulting from the large group market expansion of employers with 51 to 100 employees and update existing plan materials. This workload is expected to require no more than 50 hours of actuarial review, and no change in appropriations is required.

**Effective Date**

The bill takes effect January 1, 2026, assuming no referendum petition is filed.

**State and Local Government Contacts**

Health Care Policy and Financing                    Personnel                    Regulatory Agencies

The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).