

*Colorado Legislative Council Staff Fiscal Note*  
**STATE, LOCAL and  
 STATUTORY PUBLIC ENTITY  
 FISCAL IMPACT**

**Drafting Number:** LS 08-0873  
**Prime Sponsor(s):** Sen. Mitchell S.

**Date:** February 18, 2008  
**Bill Status:** Senate Health and Human Services  
**Fiscal Analyst:** Clare Pramuk (303-866-2677)

**TITLE:** CONCERNING A STANDARDIZED CARD TO BE ISSUED TO PERSONS COVERED UNDER A HEALTH COVERAGE PLAN.

Fiscal Impact Summary	FY 2008-2009	FY 2009-2010
<b>State Revenue</b>	\$0	\$0
<b>State Expenditures</b>		
Total	\$0	<u>\$25,317</u>
General Fund Appropriation to the Children's Basic Health Plan Trust Fund		5,619
Cash Funds		
Health Care Expansion Fund		3,242
Federal Funds		16,456
<b>FTE Position Change</b>	0.0 FTE	0.0 FTE
<b>Effective Date:</b> 90 days following final adjournment of the General Assembly unless a referendum petition is filed (August 6, 2008, if final adjournment is May 7, 2008).		
<b>Appropriation Summary for FY 2008-2009:</b> None required.		
<b>Local Government Impact:</b> See Local Government section of the fiscal note.		

**Summary of Legislation**

This bill requires state regulated health insurance carriers to issue to their members, a card or other device containing standardized benefit information that can be electronically scanned. The minimum information to be included is:

1. type of plan and available coverage;
2. co-payment and deductible amounts;
3. basic benefits;
4. preapproval procedures; and
5. contact information for carrier or plan administrator.

The Commissioner of Insurance must convene a working group to develop specifications for the card or device. Cards or devices are to be issued no later than 18 months after the bill's effective date. Private health plans covered by the Employee Retirement Security Act, are not subject to SB08-135.

### **State Expenditures**

This bill is not expected to increase state expenditures in FY 2008-09 but an increase of \$25,317 is expected in FY 2009-10.

***Department of Health Care Policy and Financing*** — will have an increase in expenditures in the Children's Basic Health Plan which is administered as an insurance plan rather than an entitlement program. The bill requires that the cards be issued no later than 18 months following the effective date. It is assumed the cards will be issued in FY 2009-10 when the caseload of the Children's Basic Health Plan is expected to be 67,511. The department expects to pay costs of \$25,317 of which \$5,619 will be a General Fund appropriation to the Children's Basic Health Plan Trust Fund, \$3,242 a cash funds appropriation from the Health Care Expansion Fund, and \$16,456 will be federal funds. The bill has no effect on Medicaid services.

***Department of Regulatory Agencies*** — will convene a meeting of carriers and other stakeholders to develop the card or device contemplated in the bill. This requirement will not create a significant workload and requires no additional appropriation.

***State Employee Health Plan Contributions*** — the bill applies to the non self-funded health insurance plans offered to state employees under the state's employee benefit program. Total health plan cost increases are expected to translate into increased premiums of \$86,821 spread over 20,466 state employees and dependents enrolled in those plans. The increases per policy range from \$0.41 per month for employee only coverage, to \$1.19 per month for employee and family coverage on Kaiser and \$0.75 to \$2.17 on San Luis Valley beginning in FY 2009-10. If Great West, the self-funded state health insurance plan implements HB08-135 for consistency, the cost is estimated at \$1.6 million which would be recovered through premium increases.

***State Employer Health Plan Contributions*** — while premium increases are expected to be paid by state employees in the first year, this bill may influence the General Assembly to increase the state's contribution in order to meet the statutory requirement of providing benefits comparable to private sector employers. Over time, increased health insurance premiums would be incorporated into the Total Compensation Survey, and any increases to the state's contribution to maintain parity with the private sector will increase state expenditures.

***CoverColorado*** — offers health insurance to the uninsurable population as a statutory public entity. Issuing the cards or other device to its membership will result in a cost increase, but the amount cannot be determined. CoverColorado does not receive a state appropriation so there is no impact on state expenditures.

**Local Government Impact**

An increase in premiums for health insurance at the local level is likely given the increased cost to the insurer. The size of the increase and who will bear the expense, cannot be determined.

**Departments Contacted**

Regulatory Agencies  
Personnel and Administration

Health Care Policy and Financing  
CoverColorado