



## **State Expenditures**

**The bill requires a one-time General Fund appropriation of \$1,404,200 in FY 2013-14.**

***Office of Information Technology.*** The federal Affordable Care Act (ACA) requires the states to use a state-run exchange, such as the Colorado Health Benefit Exchange, or else participate in a federally run exchange. The Office of Information Technology (OIT) is expected to have costs of \$1,404,200 for contract IT services and equipment from the state's primary CBMS vendor to integrate the Colorado Benefits Management System (CBMS) with the federally run exchange if the Colorado Health Benefit Exchange Act is repealed.

It should be noted that the repeal of the Colorado Health Benefit Exchange Act would require the CBMS improvement and modernization project, enacted under House Bill 12-1339, to fully fund the shared development tasks between the exchange and the CBMS improvement and modernization project. The cost of these tasks have been allocated between the two development projects, with two-thirds allocated to the exchange, and one-third allocated to the CBMS project. The exchange allocation is funded entirely with gifts, grants, and donations, as described above, and the CBMS allocation is funded at a 90 percent Federal Financial Participation rate. This change in cost allocation is estimated to require an additional \$395,833 in General Fund with a federal match of \$3,562,500. The fiscal note assumes that the Department of Health Care Policy and Financing (HCPF) will address this liability through a supplemental budget action.

***Legislative branch.*** If the Colorado Health Benefit Exchange Act is repealed, staffing support to the implementation review committee will no longer be necessary. These staffing support costs are not shown as a reduction because the General Assembly prioritizes which, if any, interim committees it wishes to fund through the annual budget process.

***Repayment of grant moneys.*** The state and the exchange have received three federal establishment and planning grants. In addition to a \$1.0 million federal planning grant the state received in 2010, the exchange has received two federal establishment grants totaling \$61.0 million. It is unknown how much, if any, of these funds will be required to be repaid. This analysis assumes that state expenditures will increase if the federal government requires any grant moneys to be returned.

## **State Appropriations**

In FY 2013-14, HCPF will require a General Fund appropriation of \$1,404,200, with the corresponding amount being re-appropriated to the OIT to implement the bill.

## **Departments Contacted**

Governor's Office  
Health Care Policy and Financing  
Legislative Legal Services  
Regulatory Agencies

Governor's Office of Information Technology  
Human Services  
Legislative Council  
State Auditor