

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

Drafting Number: LLS 15-0025
Prime Sponsor(s): Sen. Crowder

Date: January 13, 2015
Bill Status: Senate Health and Human Services
Fiscal Analyst: Bill Zepernick (303-866-4777)

BILL TOPIC: HEALTH BENEFIT EXCHANGE REVIEW COMMITTEE APPROVAL

Fiscal Impact Summary*	FY 2015-2016	FY 2016-2017
State Revenue		
State Expenditures	Potential increase. See State Expenditures section.	
FTE Position Change		
Appropriation Required: None.		

* This summary shows changes from current law under the bill for each fiscal year.

Summary of Legislation

This bill requires that the Legislative Health Benefit Exchange Implementation Review Committee (review committee) approve all salary increases, bonuses, or other additional monetary benefits for employees of the state's health benefit exchange (Connect for Health Colorado). Approval must be given in advance of the employee receiving the payment or benefit.

Background

Connect for Health Colorado is the state's health benefit exchange established in response to federal health care reform. Through Connect for Health Colorado, consumers can shop for health insurance and determine eligibility for federal tax subsidies for the purchase of health insurance or other public health insurance programs. The review committee is a statutorily created year-round legislative committee that oversees Connect for Health Colorado. The review committee must meet between two and five times each calendar year and is responsible for, among other things, reviewing and approving operational and financial plans, grant applications, and the hiring of the executive director for Connect for Health Colorado.

State Expenditures

The bill will increase workload in the Legislative Department by expanding the scope of the review committee. However, this increase can be absorbed within the current appropriations to Legislative Council Staff and the Office of Legislative Legal Services to support the review committee. Under the bill, it is estimated that all five committee meetings authorized per year under current law will be used. While committee meetings are scheduled at the discretion of the chair, this analysis assumes that the committee could hold regularly scheduled meetings every three months (at least four meetings per year) to review salary and benefit increases for staff at

Connect for Health Colorado, as well as address other issues in the committee's purview. If more than five meetings per year are required to address salary-related issues, it is assumed that any additional appropriations or reallocation of legislative staff time will be addressed through the annual budget process.

Statutory Public Entity Impact

The bill increases costs for Connect for Health Colorado in several ways. First, it increases the administrative workload of staff to prepare reports for the review committee that summarize and justify the salary or benefit increases for employees. Second, the bill likely increases the recruitment and retention costs of Connect for Health Colorado, as many current and potential employees may view the organization as a less desirable place to work if salary increases and bonuses are subject to public debate and legislative approval. This could result in higher initial salaries for new employees, which would not be subject to committee approval. To the extent that additional revenue is needed to cover these costs, fees on health insurance plans sold through the Connect for Health Colorado or assessed on insurance carriers statewide could increase.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State and Local Government Contacts

Legislature Health Benefit Exchange