

## JBC STAFF FISCAL ANALYSIS SENATE APPROPRIATIONS COMMITTEE

CONCERNING THE AVAILABILITY OF SUPPLEMENTAL INSURANCE UNDER COVERCOLORADO FOR CERTAIN INDIVIDUALS ELIGIBLE FOR MEDICARE.

Prime Sponsors: Senator Isgar

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**Summary of Amendments Made to the Bill After the 01/15/07 Legislative Council Staff Fiscal Note was Prepared (Amended by the Senate Health and Human Services Committee 02/01/07):**

1. Changes references throughout the bill concerning Medicare "supplement" or "supplemental" policies or plans to references concerning a "coordination of benefits" plan. It is staff's understanding that "Medicare supplemental plan" is a federally defined term, and this amendment is intended to avoid any unintended references to this federal definition.
2. Adds a provision stating that for an individual to be eligible for coverage under the new CoverColorado coordination of benefits plan authorized by the bill, the individual cannot be applying during the open enrollment period for a commercially available Medicare Supplemental policy.

Neither of the above amendments affect the number of individuals anticipated to enroll in the new plan, nor the cost of coverage under the new plan. Thus, **the above amendments do not affect the fiscal impact of the bill** as reflected in the Legislative Council Staff Fiscal Note dated January 15, 2007. Legislative Council Staff agrees with this assessment.

**JBC Staff Concurrence with Legislative Council Staff Fiscal Note**

☒ **XXX** **Concurs**      ☐ **Does Not Concur**      ☐ **Updated Analysis**

**Amendments/Appropriation Status**

The bill does not currently include, nor does it require, an appropriations clause. However, for informational purposes, the annual appropriations act (the "Long Bill") includes a line item to reflect the amount anticipated to be transferred from the Unclaimed Property Trust Fund to CoverColorado. The amount that will be included in the FY 2007-08 Long Bill will be based on CoverColorado expenditures and revenues under current law. Staff has thus prepared an amendment (**J.001**) to identify the additional amount that is anticipated to be transferred in FY 2007-08 as a result of this bill (\$1,062,000).

**Sponsor Amendments**

Staff is not aware of any sponsor amendment(s) to be offered.

**Points to Consider**

1. Under current law, the State Treasurer is required to transmit both interest and principal from the Unclaimed Property Trust Fund to CoverColorado in order to cover expenses of the program that are not met by premiums paid by those insured. CoverColorado is defined as a "special purpose authority" for purposes of TABOR, so none of CoverColorado's revenues are subject to TABOR limits, including moneys transferred from the Unclaimed Property Trust Fund.

Under current law, the CoverColorado program is projected to require increasing amounts from the Unclaimed Property Trust Fund over the next five years, depleting the Trust Fund to the point that an insurance carrier assessment is projected to be triggered in FY 2011-12 to cover an annual deficit of more than \$30 million. As noted on page two of the Legislative Council Staff Fiscal Note dated January 15, 2007, this bill is projected to increase the amount required to be transferred from the Unclaimed Property Trust Fund beginning in FY 2007-08, thus accelerating the carrier assessment currently projected for FY 2011-12.