



STATE FISCAL IMPACT

Drafting Number: LLS 07-0350**Date:** January 15, 2007**Prime Sponsor(s):** Sen. Isgar**Bill Status:** Senate Health and Human Services**Fiscal Analyst:** Amy Larsen (303-866-3488)

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

Fiscal Impact Summary	FY 2007-2008	FY 2008-2009
NET TOTAL		
State Revenue	\$ 0	\$ 0
State Expenditures	\$ 1,062,000	\$ 2,124,000
FTE Position Change	0.0	0.0
State Expenditures Detail		
Cash Funds Exempt - Unclaimed Property Trust Fund	\$1,062,000	\$2,124,000
Effective Date: Upon Signature of the Governor		
Appropriation Summary for FY 2007-2008: See State Appropriations section of the fiscal note.		

Summary of Legislation

This bill authorizes the CoverColorado Board of Directors to establish one or more plans to supplement Medicare reimbursement for hospital, medical or surgical expenses for an eligible participant. Eligibility requirements include being eligible for Medicare due to a disability, being under the age of 65, and having been denied similar coverage in the private sector. Participant premiums will be about 140 percent of the average rate for comparable, private-sector Medicare supplement policies. The plans may not duplicate coverage under Medicare and are subject to a lifetime limit of \$1 million per participant.

State Expenditures

Expenditures from the Unclaimed Property Trust Fund are expected to increase by \$1,062,000 in FY 2007-08 and by \$2,124,000 in FY 2008-09. These funds for CoverColorado are cash funds exempt.

CoverColorado is expected to require an additional state subsidy of \$1,062,000 in FY 2007-08 increasing to \$2,124,000 in subsequent years to offer a supplemental health plan for Medicare recipients who are disabled and under the age of 65. The subsidy calculation is shown in table 1. Costs increase in the second year due to anticipated caseload growth.

Table 1. Expenditures Under SB07-049		
	FY 2007-08	FY 2008-09
Number of Participants	300	600
Costs per Participant per Month	\$590	\$590
Less Participant Premium per Month	\$295	\$295
Required Subsidy per Participant per Month	\$295	\$295
Total Subsidy Required	\$1,062,000	\$2,124,000

Funding. At this time, the fiscal note assumes that funding for the subsidy will come from the Unclaimed Property Trust Fund. However, the increased expenditures from the fund may accelerate the carrier assessment currently projected to begin in FY 2011-12.

State Appropriations

While a specific appropriation is not required for FY 2007-08, the fiscal note indicates that cash funds exempt expenditures for CoverColorado will increase by \$1,062,000 from the Unclaimed Property Trust Fund.

Departments Contacted

Regulatory Agencies CoverColorado