

  
*Colorado Legislative Council Staff Fiscal Note*  
**STATE**  
**REVISED FISCAL IMPACT**  
(replaces fiscal note dated April 8, 2008)

<b>Drafting Number:</b> LLS 08-1035	<b>Date:</b> April 16, 2008
<b>Prime Sponsor(s):</b> Rep. Primavera Sen. Schwartz	<b>Bill Status:</b> House Appropriations
	<b>Fiscal Analyst:</b> Amy Larsen (303-866-3488)

**TITLE:** CONCERNING INCREASED TRANSPARENCY TO CONSUMERS REGARDING HEALTH CARE INSURANCE.

Fiscal Impact Summary	FY 2008-2009	FY 2009-2010
<b>State Revenue</b>	\$ 0	\$ 0
<b>State Transfers or Diversions</b> Diversion from the General Fund to the Division of Insurance Cash Fund	(\$ 8,774)	\$ 0
<b>State Expenditures</b> Cash Funds - Division of Insurance Cash Fund	\$ 8,774	\$ 0
<b>FTE Position Change</b>	0.0 FTE	0.0 FTE
<b>Effective Date:</b> January 1, 2009, unless a referendum petition is filed.		
<b>Appropriation Summary for FY 2008-2009:</b> See State Appropriations section of the fiscal note.		
<b>Local Government Impact:</b> None.		

**Summary of Legislation**

This bill, *as amended by the House Business Affairs and Labor Committee*, requires the Insurance Commissioner to implement and maintain a consumer guide to health benefits coverage on the Division of Insurance website. The website must include information on each carrier, a link to the division's complaint form and index of complaints, and other information the commissioner determines to be useful to consumers.

In addition, health care insurance producers and agents must disclose expected commission amounts to consumers.

**As amended, information included in the guide relating to carriers must be derived from filings currently required by the division. Additional information on health plan quality can be included from state or nationally recognized organizations.**

### **State Transfers and Diversions**

This bill diverts \$8,774 from the General Fund in FY 2008-09. This revenue diversion occurs because the bill increases costs in the Department of Regulatory Agencies, Division of Insurance, which is funded with premium tax revenue that would otherwise be credited to the General Fund.

**General Fund for Transportation.** Based on the March 2008 Legislative Council Staff revenue forecast, there is enough money to partially fund the annual diversion to the Highway Users Tax Fund under the provisions of SB 97-1 beginning in FY 2008-09 through FY 2010-11. This bill reduces General Fund revenue, thereby reducing the SB 97-1 diversion by \$8,774 in FY 2008-09.

### **State Expenditures**

State cash funds expenditures for the Department of Regulatory Agencies, Division of Insurance, are expected to increase by \$8,774 in FY 2008-09 from the Division of Insurance Cash Fund. Out-year expenditures are minimal, and can be completed within existing appropriations.

The division is expected to perform the following activities to implement and maintain a health insurance guide on its website:

- ▶ extract and organize information submitted to the division from health insurance carriers; and
- ▶ design, produce, and publish the guide on the internet and in a printed edition for consumers who do not have internet access.

These activities require approximately 300 hours in FY 2008-09 and 150 hours in subsequent years across several job classifications. In addition to staff time, minimal printing and postage costs are included to make the guide available to those who do not have internet access (\$1,000 each year).

### **State Appropriations**

For FY 2008-09, the fiscal note indicates that the Department of Regulatory Agencies, Division of Insurance should receive a cash funds appropriation of \$8,774 from the Division of Insurance Cash Fund.

### **Departments Contacted**

Regulatory Agencies  
Personnel and Administration

Health Care Policy and Financing