

**STATE and LOCAL
FISCAL IMPACT**

Drafting Number: LLS 09-0394
Prime Sponsor(s): Rep. Primavera

Date: January 21, 2009
Bill Status: House Health and Human Services
Fiscal Analyst: Clare Pramuk (303-866-2677)

TITLE: CONCERNING THE CONTINUATION OF HEALTH CARE COVERAGE WHILE PARTICIPATING IN A CLINICAL TRIAL.

Fiscal Impact Summary	FY 2009-2010	FY 2010-2011
State Revenue	\$0	\$0
State Expenditures	\$0	\$0
FTE Position Change	0.0 FTE	0.0 FTE
Effective Date: August 4, 2009, if adjournment sine die is on May 6, 2009, unless a referendum petition is filed.		
Appropriation Summary for FY 2009-2010: None required.		
Local Government Impact: See Local Government Section of fiscal note.		

Summary of Legislation

This bill mandates that state regulated health insurance plans cover routine patient care for policyholders and their dependents participating in clinical trials. The clinical trials must meet specific requirements as to review board approvals and patient care. Insurance plans can seek reimbursement from the clinical trial sponsor for expenses related to complications caused by a drug or device used in the clinical trial.

State Expenditures

This bill has no direct impact on state expenditures, but may influence future decisions of the General Assembly in funding state employee benefits.

State Employee Health Plan Contributions. The bill applies to the health insurance plans offered to state employees under the state's employee benefit program. Total health plan cost increases are expected to translate into increased annual premiums paid by employees of approximately \$154,000 spread across state employees and dependents enrolled in the self-funded plan and the San Luis Valley HMO. Kaiser Permanente HMO currently provides this coverage for services provided to clinical trial participants by their providers so does not anticipate an increase in premiums. The anticipated increases per policy range from \$0.38 (0.1 percent) per month for employee-only coverage in the self-funded plan, to \$11.43 (1.0 percent) per month for employee and family coverage in the San Luis Valley HMO. These increases would begin in FY 2010-11.

State Employer Health Plan Contributions. While premium increases are expected to be paid by state employees in the first year, this bill may influence the General Assembly to increase the state's contribution in order to meet the statutory requirement of providing benefits comparable to private sector employers. Over time, increased health insurance premiums would be incorporated into the Total Compensation Survey, and any increases to the state's contribution to maintain parity with the private sector will increase state expenditures.

Local Government Impact

An increase in premiums for health insurance at the local level is expected for plans that do not currently include these benefits. The size of the increase and who will bear the expense, cannot be determined.

Departments Contacted

Personnel and Administration
Health Care Policy and Financing

Regulatory Agencies