

**STATE
REVISED FISCAL IMPACT**

(replaces fiscal note dated February 28, 2011)

Drafting Number: LLS 11-0585	Date: March 22, 2011
Prime Sponsor(s): Sen. Newell Rep. McCann; Summers	Bill Status: Senate Second Reading Fiscal Analyst: Clare Pramuk (303-866-2677)

TITLE: CONCERNING REQUIRING A CARRIER THAT PARTICIPATES IN THE INDIVIDUAL HEALTH INSURANCE MARKET IN COLORADO TO ISSUE CHILD-ONLY PLANS ON A GUARANTEED-ISSUE BASIS.

Fiscal Impact Summary	FY 2011-2012	FY 2012-2013
State Revenue		
State Expenditures Federal Funds	\$5,455	
FTE Position Change		
Effective Date: Upon signature of the Governor, or upon becoming law without his signature.		
Appropriation Summary for FY 2011-2012: See State Appropriations section.		
Local Government Impact: None.		

Summary of Legislation

As amended by the Senate Finance and Senate Appropriations Committees, the bill requires all insurance carriers selling individual health benefit plans in Colorado to provide child-only health benefit plans for children up to age 19, without regard to preexisting conditions, during two specified month-long enrollment periods per year. The first open enrollment period must begin on the first of the month closest to 90 days after the effective date of the bill. Subsequent enrollment periods must be held during January and July. Enrollment periods must be followed by a 30 day waiting period for the child-only benefit plans to take effect. Insurance carriers can also accept applications for child-only benefit plans received within 30 days after a qualifying event such as birth, adoption, marriage, or loss of eligibility under another plan.

Insurance carriers must give notice of the open enrollment opportunities, and instructions for enrolling, on their websites. They are also required to provide a link to the public programs administered by the Department of Health Care Policy and Financing. The Commissioner of Insurance is required to collect information about the number of applicants for a child-only plan, the number enrolled, the number of applicants denied enrollment, and the reasons for the denials in conjunction with the annual Health Cost Report Survey. The bill is to be funded with federal grant monies.

These requirements are repealed on January 1, 2014.

State Expenditures

An increase in expenditures of \$5,455 is expected for FY 2011-12 from federal funds. Insurance companies make annual filings to the Division of Insurance in the Department of Regulatory Agencies, in January. Because this bill is effective upon signature of the Governor, insurance carriers will be required to make special filings of their rates and forms. The division will be required to review the filings which requires \$2,520 for the additional staff time. The effective date will also require legal services of \$2,935 to promulgate an emergency regulation. The fiscal note assumes that the commissioner will begin collecting information on child-only plans in April 2012 for a report to be issued in September 2012. See Table 1 for a listing of expenditures.

Cost Components	FY 2011-12
Personal Services	\$2,520
Legal Services	2,935
TOTAL	\$5,455

Expenditures Not Included

Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. The centrally appropriated costs subject to this policy are summarized in Table 2.

Cost Components	FY 2011-12
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$282
Supplemental Employee Retirement Payments	114
TOTAL	\$396

**More information is available at: <http://colorado.gov/fiscalnotes>*

State Appropriations

For FY 2011-12, the Division of Insurance in the Department of Regulatory Agencies requires \$5,455 in federal funds to implement the bill. These funds are not appropriated by the bill, but are noted as the funding source. Of this, \$2,935 is reappropriated to the Department of Law.

Departments Contacted

Health Care Policy and Financing

Regulatory Agencies