

**STATE and LOCAL  
FISCAL IMPACT**

---

<b>Drafting Number:</b> LLS 13-0492	<b>Date:</b> April 22, 2013
<b>Prime Sponsor(s):</b> Rep. Primavera Sen. Nicholson	<b>Bill Status:</b> House Public Health Care and Human Services
	<b>Fiscal Analyst:</b> Clare Pramuk (303-866-2677)

---

**TITLE:** CONCERNING HEALTH INSURANCE COVERAGE FOR PREVENTIVE BREAST IMAGING.

<b>Fiscal Impact Summary</b>	<b>FY 2013-2014</b>	<b>FY 2014-2015</b>
<b>State Revenue</b>		
<b>State Diversions</b> Diversion from the General Fund to the Division of Insurance Cash Fund	\$87,674	\$83,540
<b>State Expenditures</b> Cash Funds Division of Insurance Cash Fund	\$76,291	\$71,588
<b>FTE Position Change</b>	1.0 FTE	1.0 FTE
<b>Effective Date:</b> January 1, 2014, if no referendum petition is filed.		
<b>Appropriation Summary for FY 2013-2014:</b> See State Appropriations section.		
<b>Local Government Impact:</b> See Local Government Impact.		

**Summary of Legislation**

A mammogram is one type of breast imaging used for screening and diagnostic purposes and is a mandatory coverage provision for insurance policies regulated by state law. For individuals with at least 1 risk factor for breast cancer, this bill expands insurance coverage to include all types of breast imaging. The applicable risk factors include:

- having a family history of breast cancer;
- being 40 or older;
- presenting with symptoms; or
- having a genetic predisposition to breast cancer.

Under the bill, insurance coverage for breast imaging is not subject to policy deductibles, co-payments, or coinsurance. Under current law, if a policy issued in another state (home state) covers mammography, all complaints on that policy are under the jurisdiction of the home state. This bill changes that exception to require policies written in another state to have comparable coverage for breast imaging for complaints to fall under the jurisdiction of the home state.

**State Diversions**

This bill diverts \$87,674 from the General Fund in FY 2013-14 and \$83,540 in FY 2014-15. 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. This amount covers the direct and indirect costs of the bill.

**State Expenditures**

*This bill is expected to increase expenditures by \$76,291 and 1.0 FTE in FY 2013-14 and \$71,588 and 1.0 FTE in FY 2014-15 from the Division of Insurance Cash Fund.*

*Division of Insurance, Department of Regulatory Agencies.* Under current law, Colorado's Division of Insurance is not responsible for handling complaints about a health insurance policy that covers a Colorado resident but is written in another state. Instead, these complaints are referred to the state in which the policy was written. This bill raises the standard from mammography, which is a mandatory coverage in all 50 states, to breast imaging, which is not the standard for all other states. Because of this change, any coverage complaint will fall under the division's jurisdiction, not just coverage related to breast imaging.

By increasing the number of complaints the division will need to address, division workload will increase by an additional 1.0 FTE per year. Complaints are expected to be complex and will require research into out-of-state policies and enforcement of the coverages. The division will need to amend a number of regulations, which the fiscal note assumes can be incorporated into the regular rulemaking process and not require additional legal services.

<b>Table 1. Expenditures Under HB 13-1309</b>		
<b>Cost Components</b>	<b>FY 2013-14</b>	<b>FY 2014-15</b>
Personal Services	\$70,638	\$70,638
FTE	1.0	1.0
Operating Expenses and Capital Outlay	5,653	950
Legal Services	0	0
<b>TOTAL</b>	<b>\$76,291</b>	<b>\$71,588</b>

*Department of Personnel and Administration (DPA), State Employee Health Plan Contributions.* The bill applies to the health insurance plans offered to state employees under the state's employee benefit program. If this change in coverage results in increased expenditures for those plans, it may result in an increase in premiums. The State contribution is set based upon prevailing market practices, measured as a percent cost share between the employer and employee. If this bill does effect cost, it may not be a dollar for dollar rate; the exact amount will be impacted by market conditions. This potential impact will be addressed through the Total Compensation Analysis conducted by DPA in the annual budget process.

**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.

<b>Table 2. Expenditures Not Included Under HB13-1309*</b>		
<b>Cost Components</b>	<b>FY 2013-14</b>	<b>FY 2014-15</b>
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$7,047	\$7,047
Supplemental Employee Retirement Payments	4,336	4,905
<b>TOTAL</b>	<b>\$11,383</b>	<b>\$11,952</b>

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

**Local Government Impact**

HB13-1309 shifts costs from patients to insurance carriers in order to reduce the patient's out-of-pocket costs. As a result, premiums may increase for health insurance at the local level for policies that currently do not offer coverage or require co-payments or coinsurance for breast imaging. The size of the increase and who will bear the expense cannot be determined.

**State Appropriations**

For FY 2013-14, the Department of Regulatory Agencies requires an appropriation of \$76,291 from the Division of Insurance Cash Fund and 1.0 FTE.

**Departments Contacted**

Health Care Policy and Financing  
Regulatory Agencies

Personnel and Administration