

**STATE  
FISCAL IMPACT**

**Drafting Number:** LLS 13-1001  
**Prime Sponsor(s):** Rep. Fischer  
 Sen. Kefalas

**Date:** April 22, 2013  
**Bill Status:** House Education  
**Fiscal Analyst:** Josh Abram (303-866-3561)

**TITLE:** CONCERNING THE AUTHORITY OF A GOVERNING BOARD OF AN INSTITUTION OF HIGHER EDUCATION TO MANDATE PURCHASES RELATING TO HEALTH CARE.

<b>Fiscal Impact Summary</b>	<b>FY 2013-2014</b>	<b>FY 2014-2015</b>
<b>State Revenue</b>		
<b>State Expenditures</b>		
<b>FTE Position Change</b>		
<b>Effective Date:</b> Upon signature of the Governor, or upon becoming law without his signature.		
<b>Appropriation Summary for FY 2013-2014:</b> None required.		
<b>Institution of Higher Education Impact:</b> See Higher Education Impact section.		

**Summary of Legislation**

Under current law, the governing board of an institution of higher education may not require that an undergraduate student purchase health care insurance or services. Institutions that had such requirements prior to 1994 are exempt from this prohibition. This bill eliminates the prohibition, thus authorizing any governing board to require student health care insurance.

**Higher Education Impact**

Presently, most institutions of higher education require both undergraduate and graduate students to have insurance. House Bill 13-1315 has no fiscal impact on these institutions.

This fiscal note presumes that the remaining institutions of higher education will adopt a policy that requires, at minimum, proof of insurance from all students. This fiscal note also assumes that school-administered health care plans and medical services will experience increased participation as a result of this bill. This increased participation impacts transactions between students, institutions of higher education, and privately contracted insurance plans; however, the financial impact for health care and insurance is primarily borne by the student, and neither institutional expenses nor revenue is anticipated to change. Student health insurance programs are generally administered by a third party administrator (TPA). For schools that choose to require health insurance of students, the overall administrative fee paid to the TPA (a percent of premium) will increase, even though per-student costs may decline as risk is spread across more participants.

**Departments Contacted**

Higher Education