

Colorado Legislative Council Staff Fiscal Note

**STATE and LOCAL
FISCAL IMPACT**

Drafting Number: LLS 15-0383	Date: February 4, 2015
Prime Sponsor(s): Rep. Primavera Sen. Crowder	Bill Status: House Health, Insurance, and Environment
	Fiscal Analyst: Bill Zepernick (303-866-4777)

BILL TOPIC: PATIENT CONTRIBUTION REHABILITATION SERVICES

Fiscal Impact Summary*	FY 2015-2016	FY 2016-2017
State Revenue		
State Expenditures	Minimal workload increase.	
FTE Position Change		
Appropriation Required: None.		

* This summary shows changes from current law under the bill for each fiscal year.

Summary of Legislation

The bill prohibits insurance companies from classifying office visits for physical rehabilitation services provided by a physical therapist, occupational therapist, or chiropractor as a specialty service. In addition, the copayment cannot be more than 50 percent of the payment amount that the provider is paid by the insurance carrier for the visit.

State Expenditures

This bill is expected to increase workload by a minimal amount beginning in FY 2015-16 for the Division of Insurance (DOI) in the Department of Regulatory Agencies. The bill may also affect rates paid by the state for employee insurance. These impacts of the bill are discussed below.

Division of Insurance, Department of Regulatory Agencies. The DOI requires insurance companies to file complete health plans (coverages, documents, rates, and forms) annually by May 15. This deadline is prescribed in rule and occurs for plans for the succeeding calendar year so that issues can be resolved prior to open-enrollment periods in October for plans taking effect January 1. Because this bill affects plan offerings effective January 1, 2017, the DOI will be able to review plans for compliance with the bill during its regular filings schedule. Beginning in FY 2016-17, the DOI may also have an increase in consumer complaints and inquiries relating to the coverage requirements under the bill. These workload increases are expected to be minimal and do not require any change in appropriations.

Department of Personnel and Administration. Because state employee health insurance contributions are based upon prevailing market rates, with costs shared between the employer and employee, this bill is not expected to affect state employee premiums until after January 1, 2017. Because insurance rates are influenced by a number of variables, the exact effect of this bill cannot be determined. Any increase caused by the bill will be addressed through the total compensation analysis included in the annual budget process.

Local Government Impact

Local governments that provide health insurance to their employees that is subject to this bill may experience an increase in premiums beginning in January 1, 2017. Such an increase could occur if reducing the patient's share for physical rehabilitation services shifts significant costs to insurance companies who in turn spread the costs among all their policyholders.

Effective Date

The bill takes effect on January 1, 2017, unless a referendum petition is filed.

State and Local Government Contacts

Personnel and Administration
Health Care Policy and Financing

Regulatory Agencies
Law