



**Colorado
Legislative
Council
Staff**

HB16-1336

**FINAL
FISCAL NOTE**

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 16-0960
Prime Sponsor(s): Rep. Hamner; Rankin
Sen. Donovan

Date: September 1, 2016
Bill Status: Signed into Law
Fiscal Analyst: Bill Zepernick (303-866-4777)

BILL TOPIC: STUDY SINGLE GEOGRAPHIC AREA INDIVIDUAL HEALTH PLANS

Fiscal Impact Summary	FY 2015-16 (Current Year)	FY 2016-2017	FY 2017-2018
State Revenue			
State Expenditures	Minimal workload increase.		
Appropriation Required: None.			
Future Year Impacts: None.			

Summary of Legislation

The bill requires the Commissioner of Insurance in the Department of Regulatory Agencies (DORA) to conduct a study to determine the impacts and viability of establishing a single geographic area for use in determining the premium rates for individual health insurance plans issued in Colorado. In conducting the study, the Commissioner of Insurance must consider factors that affect differentiation in the premium rates throughout different geographic areas of the state, including differentiation in health care costs throughout the state for prescription drugs, provider rates, diagnostic tests, surgical procedures, and other hospital procedures and services.

The study must be completed no later than August 1, 2016. The commissioner must report and present the findings and recommendations of the study to the Joint Budget Committee. The commissioner must also send the report to the House Health, Insurance, and Environment Committee, the House Public Health Care and Human Services Committee, the Senate Health and Human Services Committee, and the Colorado Commission on Affordable Health Care. DORA must present on the report as part of its 2017 SMART Act hearing.

State Expenditures

The Division of Insurance in DORA is currently examining issues related to insurance rating areas under its existing statutory authority, so this bill will not significantly affect workload for the division, other than to specify a deadline for the study and require reporting to various legislative committees. Therefore, no change in appropriations is required.

Effective Date

The bill was signed into law by the Governor and took effect on May 17, 2016.

State Appropriations

While the fiscal note does not project the need for an appropriation, the bill includes a no-appropriation clause.

State and Local Government Contacts

Regulatory Agencies

Research Note Available

An LCS Research Note for HB16-1336 is available online and through the iLegislate app. Research notes provide additional policy and background information about the bill and summarize action taken by the General Assembly concerning the bill.