



REVISIED FISCAL IMPACT

(Replaces fiscal impact dated January 10, 2006)

Drafting Number: LLS 06-0144
Prime Sponsor(s): Sen. Tapia
 Rep. Butcher

Date: April 24, 2006
Bill Status: House Health and Human Services
Fiscal Analyst: Amy Larsen (303-866-3488)

TITLE: CONCERNING A STUDY TO ANALYZE FACTORS THAT DRIVE THE COST OF HEALTH CARE WITHIN PUEBLO COUNTY, AND MAKING AN APPROPRIATION IN CONNECTION THEREWITH.

| Fiscal Impact Summary | FY 2006/2007 | FY 2007/2008 |
|--|--------------|--------------|
| State Revenues | | |
| General Fund | (\$25,349) | |
| Cash Funds - Division of Insurance Cash Fund | 25,349 | |
| State Expenditures | | |
| Cash Funds - Division of Insurance Cash Fund | \$25,349 | |
| FTE Position Change | 0.0 FTE | 0.0 FTE |
| Effective Date: Upon signature of the Governor. | | |
| Appropriation Summary for FY 2006/2007: | | |
| Department of Regulatory Agencies: | \$25,349 CF | |
| Local Government Impact: None. | | |

Summary of Legislation

The **reengrossed** bill requires the Department of Regulatory Agencies, Division of Insurance, to conduct a study of the factors that drive health insurance costs for individuals and groups in Pueblo County. The Division of Insurance must collect information from health insurers in Pueblo County, and may contract with a nonprofit organization to analyze the data and prepare a report of the analysis. The Insurance Commissioner must submit a report to numerous members of the General Assembly no later than January 15, 2008.

State Revenues

In FY 2006-07, General Fund revenues are expected to decrease by \$25,349. The bill increases one-time costs in the Department of Regulatory Agencies, Division of Insurance, which are funded from a diversion of premium tax revenue that would otherwise be credited to the General Fund. As a result, state General Fund revenues are anticipated to decrease \$25,349 in FY 2006-07. These moneys will instead be credited to the Division of Insurance Cash Fund.

State Expenditures

In FY 2006-07, state expenditures are expected to increase \$25,349. The Department of Regulatory Agencies, Division of Insurance, is expected to identify sources to access required data, determine how to collect the data, create an online survey tool to collect required data from insurance carriers, oversee data collection, and review and cleanse the data. These one-time activities are expected to take 875 hours of staff time spread across numerous employees resulting in personal services expenses of \$25,349.

The fiscal note assumes that a nonprofit organization will analyze the data and prepare a report for the commissioner as allowed in the bill. If a nonprofit is not identified to complete this work, additional expenses would be expected.

The reengrossed bill does not require a survey of health facilities or health care professionals. Thus, those costs identified in the previous fiscal note are eliminated.

State Appropriations

For FY 2006-07, the fiscal note indicates that the Department of Regulatory Agencies, Division of Insurance, should receive an appropriation of \$25,349 cash funds from the Division of Insurance Cash Fund.

Departments Contacted

Public Health and Environment

Regulatory Agencies