

# Amendment 56

*Colorado Legislative Council Staff*  
**FISCAL IMPACT STATEMENT**

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**BALLOT TITLE:** EMPLOYER RESPONSIBILITY FOR HEALTH INSURANCE

<b>Fiscal Impact Summary</b>	<b>FY 2008-2009</b>	<b>FY 2009-2010</b>
<b>State Revenue</b>		
Cash Funds - Health Insurance Premiums	\$ 0	Increase
<b>State Expenditures</b>		
Cash Funds	\$ 0	Increase
<b>FTE Position Change</b>	0.0 FTE	0.0 FTE
<b>Local Government Impact:</b> Local governments are exempt from the measure.		

## Summary of Measure

The measure amends the state constitution to require private employers, with 20 or more employees, to provide major medical health care coverage for both employees and their dependents. Employers are required to pay at least 80 percent of the premium cost for the employee and 70 percent of the premium cost for dependent coverage. Employers have the following options for providing coverage: (1) directly through a health insurance carrier or a self-insured plan, or (2) indirectly by paying premiums to a newly established state authority.

The measure requires the establishment of a state authority to administer the program including contracting with health insurance carriers to provide the health care coverage. The authority is funded by premiums paid by employers purchasing coverage through the authority and/or funds authorized by the legislature. However, state General Fund cannot be appropriated for administrative or health insurance costs related to this measure.

Enacting legislation is required to implement the measure including defining terms and setting an effective date, but the effective date of the measure cannot be delayed beyond November 1, 2009.

## State Revenue and Expenditures

Beginning in FY 2009-10 once implementing legislation is effective, state revenue and expenditures are expected to increase as a result of payments from employers for health coverage and administrative activities of the state health insurance authority. However, this analysis assumes that the legislature will establish the authority in such a way that it will be exempt from constitutional revenue and spending limits.

Total revenue is dependent upon the number of employers and employees selecting health coverage through the authority less any other funding appropriated by the legislature for the program. Total spending is dependent on the specific responsibilities of the state health insurance authority along with definitions of terms to be clarified in implementing legislation. Thus, revenue and spending cannot be estimated at this time.

The authority is required to contract with health insurance carriers to provide health coverage. Since the legislature must define components of the required coverage in its implementing legislation, the cost of health coverage that may be passed on to participating employers cannot be determined.

Costs that may result from potential legal challenges to the measure cannot be estimated.