

**STATE
FISCAL IMPACT**

Drafting Number: LLS 13-0666	Date: March 27, 2013
Prime Sponsor(s): Rep. McCann; Gardner Sen. Aguilar	Bill Status: House Health, Insurance and Environment
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TITLE: CONCERNING THE ALIGNMENT OF STATE HEALTH INSURANCE LAWS WITH THE REQUIREMENTS OF THE FEDERAL "PATIENT PROTECTION AND AFFORDABLE CARE ACT".

Fiscal Impact Summary	FY 2013-2014	FY 2014-2015
State Revenue		
State Expenditures	See State Expenditures section.	
FTE Position Change		
Effective Date: The bill is effective upon signature of the Governor, or upon becoming law without his signature, and applies to health plans issued or renewed on or after January 1, 2014.		
Appropriation Summary for FY 2013-2014: None required.		
Local Government Impact: None.		

Summary of Legislation

The bill aligns state health insurance laws with the requirements of the federal health care reform under the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act (federal health care reform). Among other things, the bill does the following:

- conforms Colorado's mandatory coverage provisions to those in federal law;
- enacts the terms of Colorado's essential health benefits package;
- requires all individual and small employer health insurance carriers selling health plans to issue and renew plans to all eligible individuals;
- requires health plans to cover dependents up to age 26;
- prohibits exclusions based on preexisting conditions;
- prohibits discrimination against licensed or certified health care providers in individual or group health benefit plans;
- aligns the process in Colorado law with that in federal law for the internal and external independent review of adverse determinations with respect to denial of benefits;
- conforms wellness and prevention program requirements with federal law;
- authorizes the Insurance Commissioner to adopt rules necessary to comply with federal law; and
- makes various definitions consistent with federal law.

State Expenditures

The Division of Insurance (DOI) in the Department of Regulatory Agencies (DORA) will have increased workload for rulemaking and other tasks relating to aligning state law with the federal health reform law. The fiscal note assumes that these duties can be accomplished within existing appropriations.

Other costs of federal health care reform. More broadly, under federal health care reform, several factors will drive costs in the DOI, including: (1) additional consumer complaints and inquiries as more people become insured; (2) enhanced rate review compared with the process created under House Bill 08-1389; (3) a more complicated regulatory environment; and (4) possible IT investments to facilitate new regulatory processes. The DOI has received federal grant funding to assist in the implementation of regulatory changes under federal health care reform that runs through December 2014. While these costs are in part related to the changes in this bill, these impacts are linked with broader changes at the state and federal levels and are more appropriately addressed through the annual budget process, rather than in this bill.

Departments Contacted

Regulatory Agencies
Personnel and Administration

Health Care Policy and Financing
Law