

The 10-member committee is authorized to make recommendations to the board and the exchange, and can carry legislation concerning the exchange. The review committee is authorized to meet up to five times per year, and is required to meet at least twice per year. Support to the review committee and post-enactment review are provided by staff of the Legislative Council and Office of Legislative Legal Services.

State Revenue

Subject to federal grant terms and conditions, the bill increases revenue to the General Fund by approximately \$20 million in FY 2014-2015 by transferring any remaining unencumbered moneys held by the exchange to the General Fund on January 1, 2015.

State Expenditures

The bill requires a one-time General Fund appropriation of \$1,225,700 in FY 2014-15. The bill may require additional expenditures in future years if federal grants are required to be repaid due to the repeal.

Office of Information Technology. The federal Affordable Care Act (ACA) requires the states to use a state-run exchange, such as the Colorado Health Benefit Exchange, or else participate in a federally run exchange. The Office of Information Technology (OIT) is expected to have costs of \$1,225,700 for contract IT services and equipment to integrate the Colorado Benefits Management System (CBMS) with the federal exchange.

It should be noted that the repeal of the Colorado Health Benefit Exchange Act would require the state, through funding in the CBMS improvement and modernization project enacted under House Bill 12-1339, to fully fund the federal integration tasks, rather than sharing these tasks between the exchange and the state. The cost of these tasks has been allocated between the two development projects, with two-thirds allocated to the exchange, and one-third allocated to the state's CBMS project. The exchange allocation is funded entirely with federal grant funding, and the state's share is funded with 90 percent federal funds. This change in cost allocation is estimated to require an additional \$296,875 in General Fund with a federal match of \$2,671,875. The fiscal note assumes that the Department of Health Care Policy and Financing (HCPF) will address this liability through a supplemental budget action.

Legislative branch. If the Colorado Health Benefit Exchange Act is repealed, staffing support to the legislative committee will no longer be necessary. These staffing support costs are not shown as a reduction because the General Assembly prioritizes which, if any, interim committees it wishes to fund through the annual budget process.

Repayment of grant moneys. The state and the exchange have received three federal establishment and planning grants. In addition to a \$1.0 million federal planning grant the state received in 2010, the exchange has received three federal establishment grants totaling \$177 million. It is unknown how much, if any, of these funds will be required to be repaid. This analysis assumes that state expenditures will increase if the federal government requires any grant moneys to be returned.

Statutory Public Entity Impact

This bill requires the exchange to cease operations and transfer all its funds by January 1, 2015. People seeking to enroll in, or renew, health coverage plans will need to go through private insurance carriers and brokers, or through the federal exchange.

Effective Date

The bill takes effect August 6, 2014, if the General Assembly adjourns on May 7, 2014, as scheduled, and no referendum petition is filed.

State Appropriations

In FY 2014-15, HCPF will require a General Fund appropriation of \$1,225,700. OIT requires spending authority for \$1,225,700 in reappropriated funds. to implement the bill.

State and Local Government Contacts

Connect for Health Colorado
Office of Information Technology

Health Care Policy and Financing
Regulatory Agencies