

**STATE
FISCAL IMPACT**

Note: This fiscal note is provided pursuant under Joint Rule 22 (b) (2) and reflects strike-below Amendment L.002.

Drafting Number: LLS 14-0317	Date: February 6, 2014
Prime Sponsor(s): Rep. Primavera Sen. Tochtrop	Bill Status: House Health, Insurance, & Environment Fiscal Analyst: Clare Pramuk (303-866-2677)

SHORT TITLE: COPAYMENTS FOR PHYSICAL REHABILITATION SERVICES

Fiscal Impact Summary*	FY 2014-2015	FY 2015-2016
State Revenue		
State Expenditures	Minimal workload increase.	
FTE Position Change		
Appropriation Required: None.		

* This summary shows changes from current law under the bill for each fiscal year.

Summary of Legislation

This bill prohibits insurance companies that provide individual and small group health insurance policies from imposing a copayment, coinsurance, or office visit deductible amount for physical rehabilitation services that is greater than the amount charged for a visit to the patient's primary care physician. In addition, the copayment, coinsurance, or office visit deductible cannot exceed 20 percent of the amount paid by the insurance company to physical rehabilitation service providers.

Finally, the bill requires insurance companies to clearly state the availability of physical rehabilitation services coverage and all related limitations, conditions, and exclusions under their health coverage plans.

State Expenditures

This bill is expected to increase workload by a minimal amount beginning in FY 2014-15 for the Division of Insurance (DOI) in the Department of Regulatory Agencies.

Division of Insurance, Department of Regulatory Agencies. The DOI requires insurance companies to file complete health plans (coverages, documents, rates and forms) annually by May 15. This deadline is prescribed in rule and occurs for plans for the succeeding calendar year so that issues can be resolved prior to open-enrollment periods in October for plans taking effect January 1. Because this bill affects plan offerings effective January 1, 2016, the DOI will be able to review plans for compliance with the bill during its regular filings schedule. This creates a minimal increase in workload in FY 2014-15 and does not require new appropriations.

Department of Personnel and Administration. Because state employee health insurance contributions are based upon prevailing market rates, with costs shared between the employer and employee, this bill is not expected to affect state employee premiums until after January 1, 2016. Because insurance rates are influenced by a number of variables, the exact effect of this bill cannot be determined. Any increase caused by the bill will be addressed through the total compensation analysis included in the annual budget process.

Local Government Impact

Local governments that provide health insurance to their employees that is subject to this bill may experience an increase in premiums beginning in January 1, 2016. Such an increase could occur if reducing the patient's share for physical rehabilitation services shifts significant costs to insurance companies who in turn spread the costs among all their policyholders.

Effective Date

The bill takes effect January 1, 2016, unless a referendum petition is filed.

State and Local Government Contacts

Personnel and Administration
Health Care Policy and Financing

Regulatory Agencies
Law