

**Legislative
Council Staff***Nonpartisan Services for Colorado's Legislature***FISCAL NOTE**

Drafting Number:	LLS 19-0693	Date:	January 10, 2019
Prime Sponsors:	Sen. Smallwood	Bill Status:	Senate HHS
		Fiscal Analyst:	Max Nardo 303-866-4776 Max.Nardo@state.co.us
Bill Topic:	HEALTH INSURANCE CONTRACT CARRIER & POLICYHOLDER		
Summary of Fiscal Impact:	<input type="checkbox"/> State Revenue <input checked="" type="checkbox"/> State Expenditure (<i>minimal</i>) <input type="checkbox"/> State Transfer <input type="checkbox"/> TABOR Refund <input type="checkbox"/> Local Government <input type="checkbox"/> Statutory Public Entity		
<p>The bill changes a required provision in health insurance contracts which will allow policyholders to pay premiums only through the date that a covered individual becomes ineligible or uncovered if they notify carriers within 10 days of that date. The bill may minimally increase workload in FY 2019-20 only.</p>			
Appropriation Summary:	No appropriation is required.		
Fiscal Note Status:	The fiscal note reflects the introduced bill.		

Summary of Legislation

Under current law, health insurance policyholders are required to pay premiums for each individual covered under a policy through the date that the policyholder notifies the carrier that a covered individual becomes ineligible or no longer covered. This bill allows policyholders to pay premiums only through the date of ineligibility or non-coverage if a carrier is notified within 10 business days after that date. This change does not apply in cases where a covered individual leaves a policy because they become enrolled in the Children's Basic Health Plan.

State Expenditures

The Division of Insurance within the Department of Regulatory Agencies conducts an annual review of health insurance rate filings for health insurance plans sold on the individual market. If the bill is enacted after the filing date in 2019, which is not yet established but is expected to be between March and June for 2020 plans, carriers will be required to refile forms which staff will review for compliance. This will require about 20 hours of work, which can be accomplished within existing appropriations.

Effective Date

The bill takes effect January 1, 2020, if no referendum petition is filed.

State and Local Government Contacts

Colorado Health Benefit Exchange
Information Technology
Personnel

Health Care Policy and Financing
Law
Regulatory Agencies