



Legislative  
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**SB 18-237**

**FINAL  
FISCAL NOTE**

<b>Drafting Number:</b>	LLS 18-0974	<b>Date:</b>	August 1, 2018
<b>Prime Sponsors:</b>	Sen. Gardner Rep. Esgar	<b>Bill Status:</b>	Postponed Indefinitely
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**Bill Topic:** OUT-OF-NETWORK PROVIDERS CARRIERS REQUIRED NOTICES

<b>Summary of Fiscal Impact:</b>	<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
	<input checked="" type="checkbox"/> State Expenditure ( <i>minimal, potential</i> )	<input checked="" type="checkbox"/> Local Government ( <i>potential</i> )
	<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

This bill would have required health insurers to cover emergency services as an in-network benefit and made other changes regarding out-of-network billing and disclosures. It would have minimally increased state agency workload and may have increased state and local government employee health insurance costs on an ongoing basis.

**Appropriation Summary:** No appropriation is required.

**Fiscal Note Status:** This fiscal note reflects the introduced bill. This bill was not enacted into law; therefore, the impacts identified in this analysis do not take effect.

**Summary of Legislation**

This bill makes various changes regarding health insurance coverage provided at out-of-network facilities. Specifically, it requires that:

- health insurers provide coverage for emergency services at an out-of-network facility or by an out-of-network provider as if services were provided in-network;
- health insurers, facilities, and providers give a disclosure to patients about costs and coverage for non-emergency services provided at an out-of-network facility or by an out-of-network provider starting on January 1, 2019;
- health providers and facilities provide a refund, with interest, if they collect an out-of-network charge from a patient when the provider or facility is limited to charging an in-network amount.

The Division of Insurance and the Division of Professions and Occupations in the Department of Regulatory Agencies (DORA) and the State Board of Health in the Colorado Department of Public Health and Environment (CDPHE) are required to adopt rules governing the disclosures by health insurers, providers, and facilities, respectively.

## **State Expenditures**

This bill will increase workload and costs in several areas starting in FY 2018-19, as discussed below.

**Rulemaking.** DORA and the CDPHE will have an increase in workload in FY 2018-19 to promulgate rules on the bill's disclosure requirements. It is assumed that staff time and legal services associated with these rules will be minimal and can be accomplished within existing appropriations.

**Enforcement.** DORA will have ongoing workload to receive, investigate, and resolve consumer complaints regarding violation of the billing or disclosure requirements by health insurers and providers. The CDPHE will be required to review compliance by health facilities as part of its regular health facility survey process. It is assumed this workload can be accomplished within existing appropriations.

**Trial courts.** In the event that there is a dispute between a patient and a health provider or facility concerning the refund of out-of-network charges, this could result in a civil lawsuit being filed with the trial courts in the Judicial Department. It is assumed that these cases will be small in number and can be handled by the courts within existing appropriations.

**State employee insurance.** To the extent that the bill increases the share of costs paid by health insurers for emergency services at out-of-network facilities, state agencies' costs for employee health insurance premiums may increase. 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 the state's share of employee health insurance premiums until FY 2019-20. 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**

Similar to the state employee insurance impact above, local governments that offer state-regulated health plans to their employees may have an increase in health insurance premium costs. Given that health insurance premiums are affected by a number of factors, the exact impact cannot be estimated.

## **Effective Date**

The bill was postponed indefinitely by the Senate Health and Human Services Committee on April 18, 2018.

## **State and Local Government Contacts**

Health Care Policy and Financing  
Personnel  
Regulatory Agencies

Information Technology  
Public Health and Environment