

Summary of Legislation

The bill requires that all Division of Insurance (DOI) regulated health benefit plans provide coverage for the diagnosis of and treatment for infertility and standard fertility preservation services, which are defined in the bill. The bill specifies that this includes three completed oocyte retrievals with unlimited embryo transfers in accordance with the guidelines of the American Society for Reproductive Medicine using single embryo transfer when recommended and medically appropriate.

Health benefits plans may not impose restrictions or cost-sharing requirements that are different from those imposed on benefits for other medications and services covered under the plan that are not related to fertility. Religious employers may be exempt from providing coverage for these services if the coverage conflicts with the organization's bona fide religious beliefs and practices.

Prior to the new benefits taking effect, the DOI must request of the federal Department of Health and Human Services (HHS) a determination as to whether or not these benefits would constitute a new benefit mandate that exceeds essential health benefits, which may require cost defrayal paid by the state for premium increases attributable to the mandate. The benefit must be implemented only if confirmation is received from HHS that the coverage does not constitute an additional benefit requiring defrayal payments by the state or no response is received within a year of the request.

Background

The provisions of the bill apply to health insurance plans that are under the jurisdiction of the DOI in the Department of Regulatory Agencies (DORA). There are three primary market segments subject to DOI regulation: the individual, small group, and large group markets, with the exception of self-insured employers. About one million Coloradans receive health insurance through DOI regulated plans. The bill does not apply to Medicare, Medicaid, military plans, or self-insured employer-based health plans, which are regulated by the federal government.

State Diversions

The bill diverts an estimated \$4,951 from the General Fund in FY 2020-21 and \$8,906 in FY 2021-22 and future years for plan review in DORA. This revenue diversion occurs because the bill increases costs in the Division of Insurance, which is funded with premium tax revenue that would otherwise be credited to the General Fund.

State Expenditures

The bill increases state expenditures in DORA by \$4,951 and 0.1 FTE in FY 2020-21, and \$8,906 and 0.1 FTE in FY 2021-22 and future years. These costs are shown in Table 2 and described below.

Table 2
Expenditures Under HB 20-1158

	FY 2020-21	FY 2021-22
Department of Regulatory Agencies		
Personal Services	\$3,337	\$6,673
Centrally Appropriated Costs*	\$1,614	\$2,233
Total Cost	\$4,951	\$8,906
Total FTE	0.1 FTE	0.1 FTE

* Centrally appropriated costs are not included in the bill's appropriation.

Department of Regulatory Agencies. The DOI will review filings for each health benefit plan subject to the bill, which includes individual, small group, and large group plans. The fiscal note assumes that DOI will review 55 applicable plans each year, and that each review will require four hours to ensure compliance with the bill. Each review entails reviewing rate calculations and assumptions associated with covered benefits and verifying that references to benefits are accurately communicated to policyholders and comply with DOI requirements. Personal services costs are prorated to reflect a half year in FY 2020-21.

State employee insurance. Insurance carriers that offer health benefit plans to state employees will be required to meet the coverage requirements of the bill, which may increase state expenditures on employee health insurance. Specifically, in vitro fertilization is not currently a covered benefit under state employee plans. Any cost increase could contribute to higher insurance premiums, which would be shared by state agencies and employees. Because insurance rates are influenced by a number of variables, the impact of this bill on premiums is not estimated.

Centrally appropriated costs. Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which include employee insurance and supplemental employee retirement payments, are estimated to be \$1,614 in FY 2020-21 and \$2,233 in FY 2021-22 and future years.

Local Government

Similar to state employee insurance, to the extent that premiums increase for local government insurance plans, cost increases will be shared by local governments and employees.

Effective Date

The bill was signed into law by the Governor and took effect on April 1, 2020. It applies to health benefit plans issued or renewed on or after January 1, 2022.

State Appropriations

For FY 2020-21, the bill requires an appropriation of \$3,337 to the Department of Regulatory Agencies from the Division of Insurance Cash Fund, and 0.1 FTE.

State and Local Government Contacts

Health Care Policy and Financing

Personnel

Regulatory Agencies