



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Revised Fiscal Note

(replaces fiscal note dated February 20, 2024)

Drafting Number:	LLS 24-0481	Date:	April 19, 2024
Prime Sponsors:	Sen. Michaelson Jenet; Rich Rep. Hartsook	Bill Status:	Senate Appropriations
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Bill Topic:	HEALTH-CARE COVERAGE FOR BIOMARKER TESTING
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Summary of Fiscal Impact:	<input type="checkbox"/> State Revenue	<input type="checkbox"/> State Transfer	<input type="checkbox"/> Local Government
	<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> TABOR Refund	<input type="checkbox"/> Statutory Public Entity

The bill requires state-regulated health plans to cover certain biomarker tests. The bill minimally increases state workload on an ongoing basis.

Appropriation Summary:	No appropriation is required.
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Fiscal Note Status:	The fiscal note reflects the introduced bill.
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Summary of Legislation

The bill requires state-regulated health insurance plans to cover certain biomarker tests outlined in the bill. Under the bill, all tests supported by medical and scientific evidence must be covered for the purpose of guiding treatment decisions. The coverage applies to large group plans issued or renewed after January 1, 2025 and to individual and small group plans issued or renewed after it is determined that no state defrayal is necessary.

Finally, the bill codifies current practice for Medicaid coverage of biomarker tests.

Background and Assumptions

Current Medicaid coverage. The Department of Health Care Policy and Financing (HCPF) currently covers 216 tests biomarker tests. They are used for a wide range of purposes and rates range from \$37 per test to \$3,873 per test. Program costs for current allowable biomarker tests total around \$19 million per year.

Tests covered under the federal Medicare program. Medicare, which frequently expands its biomarker testing, currently covers a wider variety of biomarker tests, with around 600 tests assumed to fall under the bill's definition of biomarker tests. Covered tests under Medicare are used for a wide range of purposes and rates range from \$8 per test to \$12,000 per test.

According to a 2019 report, 85 percent of Medicare expenditure on genetic testing (a subcategory of biomarker testing) was generated by 25 covered tests.

State Expenditures

The bill increases workload and potentially costs for state agencies, as outlined below.

Department of Regulatory Agencies. The Division of Insurance in the Department of Regulatory Agencies will have increased workload to review rates and coverage to ensure that state-regulated health plans are providing the required coverage. It is assumed that this work will occur as part of the regular annual rate filing. On an ongoing basis, the division will have additional workload to address consumer complaints and inquiries regarding the required coverage. It is assumed that this workload can be accomplished within existing resources.

State Employee Insurance. By requiring coverage for certain biomarker testing, the bill may result in increased costs for state employees' health care, which may result in higher insurance premiums. State employee health premiums are shared by state agencies and employees. Given that insurance premiums are affected by a large number of factors and that future cost sharing between the state and employees is unknown, it is assumed that any cost increase in the state share of employee health insurance premiums will be addressed through the annual budget process.

Department of Health Care Policy and Financing. The bill codifies current practice for Medicaid coverage of biomarker testing by the Department of Health Care Policy and Financing (HCPF). No change in appropriations is required.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State and Local Government Contacts

Health Care Policy and Financing
Personnel

Information Technology
Regulatory Agencies

Law

The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).