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FISCAL NOTE

Drafting Number: LLS 18-0522 Date: February 16, 2018
Prime Sponsors: Rep. Michaelson Jenet Sen. Crowder Bill Status: House Public Health Care and Human Services
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Bill Topic: STAGE FOUR ADVANCED METASTATIC CANCER STEP THERAPY

- Summary of Fiscal Impact: State Revenue, State Expenditure (minimal, potential), State Transfer, TABOR Refund, Local Government (potential), Statutory Public Entity

This bill prohibits health insurers from requiring step therapy during the treatment of stage four metastatic cancer. It will minimally increase state workload, and potentially increase state and local government expenditures on employee health insurance on an ongoing basis.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: The fiscal note reflects the introduced bill.

Summary of Legislation

The bill prohibits health insurers from requiring that a person undergo step therapy prior to receiving a federally approved drug for stage four metastatic cancer if the use of the drug is consistent with best practices for treatment of the cancer.

State Expenditures

This bill may affect state workload and expenditures in two ways. First, the Division of Insurance in the Department of Regulatory Agencies will have a one-time increase in workload in FY 2018-19 to incorporate the changes in the bill into its policies and to communicate the changes to insurance carriers.

Second, to the extent that the prohibition on step therapy results in more expensive prescription drugs being paid for by health benefit plans, state agencies' costs for employee health insurance may increase.

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 impact discussed above, local governments offering health insurance coverage to their employees may experience an increase in costs. To the extent that the prohibition on step therapy increases insurance premiums, local government costs for employee health insurance may increase. Health insurance premiums depend on a variety of factors and an exact estimate of any potential increase cannot be determined.

Effective Date

The bill takes effect January 1, 2019, assuming no referendum petition is filed. It applies to health benefit plans issued, amended, or renewed on or after this date.

State and Local Government Contacts

Health Care Policy and Financing
Law
Regulatory Agencies

Information Technology
Personnel