



## Legislative Council Staff

*Nonpartisan Services for Colorado's Legislature*

# Fiscal Note

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<b>Drafting Number:</b>	LLS 21-0397	<b>Date:</b>	February 23, 2021
<b>Prime Sponsors:</b>	Rep. McCormick	<b>Bill Status:</b>	House Health & Insurance
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<b>Bill Topic:</b>	<b>PROTON BEAM THERAPY FOR CANCER TREATMENT</b>
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<b>Summary of Fiscal Impact:</b>	<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
	<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> Local Government
	<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

For health insurance plans that provide coverage for cancer treatment, the bill prohibits insurance carriers from applying a higher standard of evidence to the coverage of proton beam therapy than is applied to other radiation therapy treatments. Beginning in FY 2021-22, it increases state agency workload on an ongoing basis.

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

For health insurance plans that provide coverage for cancer treatment, the bill prohibits insurance carriers from applying a higher standard of evidence to the coverage of proton beam therapy than is applied to other radiation therapy treatments.

## Background

The provisions of the bill apply to health insurance plans that are subject to state regulation under the Division of Insurance (DOI). There are three primary markets that are 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 such 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 Expenditures

The bill increases workload and potentially costs in multiple state agencies beginning in FY 2021-22.

**Department of Regulatory Agencies.** The bill increases workload in the DOI within the Department of Regulatory Agencies to review rate filings. Assuming the bill passes in time for carriers of individual and small-group Affordable Care Act-compliant plans to incorporate cost impacts into June 2021 rate filings, there is no change in workload impact to the DOI. Some other carriers may submit new off-cycle rate filings to reflect a change in coverage; this workload is anticipated to be minimal and can be accomplished within existing appropriations.

**State employee insurance.** State employee insurance is offered through two carriers, one of which (Kaiser Permanente) is subject to state regulation and would be required to comply with the coverage requirement in the bill. Any cost increase could contribute to higher insurance premiums, which would be shared by state agencies and employees. Because insurance premiums are influenced by a number of variables and the cost share between the state and employees has not been determined for future fiscal years, a cost to the state is not estimated.

## 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 takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

## State and Local Government Contacts

Regulatory Agencies