

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING COVERAGE REQUIREMENTS FOR HEALTH-CARE PRODUCTS.

Prime Sponsors: Reps. Jodeh and Sirota
Sens. Winter and Buckner

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Appropriation Items of Note

Appropriation Required, Amendment in Packet

General Fund Impact

Fiscal Impact of Bill as Amended to Date

The most recent Legislative Council Staff Fiscal Note (attached) reflects the fiscal impact of the bill as of 04/19/22.

	No Change: Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill
XXX	Update: Fiscal impact has changed due to <i>new information or technical issues</i>
	Update: Fiscal impact has changed due to <i>amendment adopted</i> after LCS Fiscal Note was prepared
	Non-Concurrence: JBC Staff and Legislative Council Staff disagree about the fiscal impact of the bill

After the publication of the attached fiscal note, the Colorado Attorney General submitted information that decreased the fiscal impact in the Department of Health Care Policy & Financing (HCPF). The Attorney General determined that the Children's Basic Health Plan (CHP+) is not included as a health insurer under the conditions of this bill, which removed part of the fiscal impact in HCPF. Legislative Council Staff and JBC Staff agree that this information decreases the fiscal impact of the bill. The updated fiscal impact and required appropriation is reflected in this fiscal analysis.

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
J.001	Staff-prepared appropriation amendment

Current Appropriations Clause in Bill

The bill requires but does not contain an appropriation clause.

Description of Amendments in This Packet

J.001 Staff has prepared amendment **J.001** (attached) to add a provision appropriating a total of \$252,667 cash funds from the Division of Insurance Cash Fund to the Department of Regulatory Agencies for FY 2022-23. This provision also states that the appropriation is based on the assumption that the Department will require an additional 1.7 FTE. A further \$91,809 General Fund is appropriated to the Department of Health Care Policy & Financing for FY 2022-23.

Points to Consider

General Fund Impact

The Joint Budget Committee has proposed a budget package for FY 2022-23 based on the March 2022 Legislative Council Staff revenue forecast. The budget package includes two set-asides:

- \$40.0 million General Fund for bills that create ongoing obligations; and
- \$900.0 million General Fund for bills that create one-time obligations in FY 2022-23.

The \$40.0 million *appropriations* set-aside includes an additional \$6.0 million General Fund to provide a 15.0 percent General Fund reserve for those appropriations. The \$900.0 million *obligations* set-aside does not include an additional amount for a General Fund reserve and, assumes, but does not require, that obligations be addressed through statutory transfers rather than appropriations. Therefore *appropriations* from the \$900.0 million set-aside require an additional 15.0 percent to maintain the statutory General Fund reserve.

This bill creates an ongoing obligation and requires a General Fund appropriation of \$91,809 for FY 2022-23, reducing the \$40.0 million set aside by the same amount.

Pursuant to Section 10-3-209 (4), C.R.S., taxes on insurance premiums are credited to the Division of Insurance Cash Fund (with a maximum transfer of five percent of premium tax collections) to cover appropriations made by the General Assembly. Any increase in appropriations reduces the amount of tax revenue deposited in the General Fund, thereby reducing the \$40.0 million General Fund set aside for ongoing obligations. The bill is anticipated to reduce the set-aside by \$252,667.