

Abstract of Initiative #147: TRANSPARENCY IN HEALTH CARE INSURANCE CARRIER BILLING

This initial fiscal estimate, prepared by the nonpartisan Director of Research of the Legislative Council as of March 5, 2018, identifies the following impacts:

The abstract includes estimates of the fiscal impact of the initiative. If this initiative is to be placed on the ballot, Legislative Council Staff will prepare new estimates as part of a fiscal impact statement, which includes an abstract of that information. All fiscal impact statements are available at www.ColoradoBlueBook.com and the abstract will be included in the ballot information booklet that is prepared for the initiative.

State expenditures. Initiative #147 requires health insurance carriers to disclose cost and billing information to consumers. The Department of Regulatory Agencies must establish rules and take action to implement the measure's requirements, which will increase state expenditures by \$16,056 in FY 2018-19 and \$31,557 in FY 2019-20. Additional costs may be incurred to the extent the measure leads to higher state employee insurance premiums or results in litigation in the courts.

State revenue. Initiative #147 allows fines to be levied on health insurance carriers that do not comply with the measure's disclosure requirements. This is expected to increase state revenue from fines by less than \$20,000 per year beginning in FY 2019-20.

Local government. The measure potentially increases costs for local governments that pay for employee health insurance.

Economic impact. By promoting greater transparency in billing by health insurance carriers, Initiative #147 may help consumers more effectively spend their health care dollars, which over the long term could lead to lower health care costs for Coloradans. However, these savings may be offset by higher premiums to the extent that the measure increases administrative costs for health insurance carriers.