

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING THE CREATION OF AN ENTERPRISE THAT IS EXEMPT FROM THE REQUIREMENTS OF SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION AND RELATED STATUTORY PROVISIONS TO ADMINISTER A FEE-BASED HEALTHCARE AFFORDABILITY AND SUSTAINABILITY PROGRAM FOR HOSPITALS, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

Prime Sponsors: Representative Hullinghorst
Senator Crowder

JBC Analyst: Eric Kurtz
Phone: 303-866-4952
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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 03/28/16.

XXX	No Change: Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill
	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

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
L.001	Bill Sponsor amendment - does not change fiscal impact

Current Appropriations Clause in Bill

The bill includes an appropriation clause that provides \$73,149,728 from the Healthcare Affordability and Sustainability Fee Cash Fund to the Department of Health Care Policy and Financing in FY 2016-17 for use by the Colorado Healthcare Affordability and Sustainability Enterprise, and assumes \$73,543,845 in matching federal funds.

Description of Amendments in This Packet

L.001 Bill Sponsor amendment **L.001** (attached) makes a technical correction to replace a blank bill reference with a reference to H.B. 16-1420.

Points to Consider

1. The JBC staff did not draft an appropriations clause for the bill, because it is not clear whether the intent of the bill is to take the Colorado Healthcare Affordability and Sustainability Enterprise off budget. The bill makes money in the Healthcare Affordability and Sustainability Fee Cash Fund continuously appropriated (beginning page 16, line 24), implying that the enterprise should be off budget. However, the bill also requires that for FY 2016-17 the Medical Services Board shall establish the fee to generate revenue approximately equal to the sum of appropriations, and the bill includes an appropriation of \$73.1 million from the fee revenues. The bill needs an appropriations clause to adjust the Long Bill to eliminate appropriations from the Hospital Provider Fee, but it is not clear if those appropriations should be replaced by appropriations from the Healthcare Affordability and Sustainability Fee Cash Fund in order to work with the instruction that the fee revenues match the sum of appropriations.
2. The Legislative Council Staff Fiscal Note assumes all of the revenue to the Healthcare Affordability and Sustainability Enterprise would be exempt from TABOR, but some of the expenditures for administration may need to be counted as TABOR revenue. When money from an enterprise is paid to a government agency that is not an enterprise that payment is TABOR revenue. It is not clear what the boundaries will be for the Enterprise. For example, will the Enterprise include part of the Colorado Benefits Management System and Medicaid Management Information System, or will payments for administration of these information technology systems cross the boundary of the enterprise and need to be counted as TABOR revenue?
3. The bill sets new minimum General Fund appropriations for hospital reimbursements based on the FY 2015-16 appropriation (beginning page 19, line 19). The legislation authorizing the Hospital Provider Fee contained similar language, but used FY 2008-09 appropriations as a base. The bill thus increases the minimum annual General Fund appropriation for hospital reimbursements.