



Legislative  
Council Staff

*Nonpartisan Services for Colorado's Legislature*

HB 18-1207

FINAL  
FISCAL NOTE

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<b>Drafting Number:</b>	LLS 18-0608	<b>Date:</b>	June 8, 2018
<b>Prime Sponsors:</b>	Rep. Kennedy; Rankin Sen. Moreno; Smallwood	<b>Bill Status:</b>	Postponed Indefinitely Ryan Long   303-866-2066
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**Bill Topic:** HOSPITAL FINANCIAL TRANSPARENCY MEASURES

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**Summary of Fiscal Impact:**

<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure ( <i>minimal</i> )	<input type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

This bill directs the Department of Health Care Policy and Financing to create an annual report on uncompensated costs and expenditures made by general hospitals. Beginning in FY 2019-20, it will minimally increase state workload on an ongoing basis.

**Appropriation Summary:** No appropriation is required.

**Fiscal Note Status:** The fiscal note reflects the reengrossed bill. This bill was not enacted into law; therefore, the impacts identified in this analysis do not take effect.

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### Summary of Legislation

This bill directs the Department of Health Care Policy and Financing (HCPF) to work in consultation with Colorado Healthcare Affordability and Sustainability Board (board) to create an annual report on uncompensated costs and expenditures made by general hospitals. Each general hospital in the state is required to provide HCPF with information from certain cost reports, audited financial statements, and utilization and staffing information.

The hospital expenditure report prepared by HCPF and the board must include a description of the methods of analysis; uncompensated care costs by payer group; and a breakout of different categories of hospital expenses. HCPF must submit the report to the General Assembly by January 15 of each year, beginning in 2019.

### Background

The Colorado Healthcare Affordability and Sustainability Enterprise Board administers the Healthcare Affordability and Sustainability Fee. The Healthcare Affordability and Sustainability Fee allows the state to draw down federal matching funds under Medicaid to pay for uncompensated care at hospitals, as well as the costs of providing care to Medicaid expansion populations. Federal regulations require the formula used to distribute money to hospitals to be redistributive, meaning supplemental payments may not be proportional to the fee amounts paid by individual hospitals.

## State Expenditures

Beginning in FY 2019-20, this bill will minimally increase workload in HCPF to collect information and write the report on uncompensated costs and expenditures made by general hospitals. It is assumed that this workload increase can be accomplished within existing appropriations.

## Effective Date

The bill was postponed indefinitely by the State, Veterans, and Military Affairs Committee on April 30, 2018.

## State and Local Government Contacts

Health Care Policy and Financing

Information Technology