



Legislative
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HB 20-1264

FISCAL NOTE

Drafting Number: LLS 20-0702
Prime Sponsors: Rep. Kennedy

Date: March 9, 2020
Bill Status: House Health & Insurance
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Bill Topic: **HEALTH CARE CONTRACT HOSPITAL SYSTEMS CARRIERS PROVIDERS**

Summary of Fiscal Impact:

<input checked="" 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

The bill creates restrictions on contracts between health systems and insurance carriers or other health care providers. It minimally increases revenue and expenditures in the Judicial Department on an ongoing basis.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: The fiscal note reflects the introduced bill.

Summary of Legislation

The bill prohibits a health system that contracts with an insurance carrier from requiring the carrier to:

- contract with each hospital or outpatient health facility in the system;
- agree to provide the same reimbursement rates to each hospital or outpatient health facility in the system; or
- contract with all hospitals in the system in order to access a lower reimbursement rate.

A hospital or health system is also prevented from prohibiting a carrier or health care provider from contracting with other hospitals or health systems.

A health care provider who is prohibited from referring patients to health services outside the health system is required to disclose this restriction to patients referred to health services within the health system.

Finally, the bill makes a violation of these restrictions an unfair or deceptive trade practice under the Colorado Consumer Protection Act.

State Revenue and Expenditures

To the extent that district court claims are filed under the Colorado Consumer Protection Act, revenue from court filings and related workload for the Judicial Department will increase. As such actions are expected to be minimal, no change in appropriations is required.

Effective Date

The bill takes effect August 5, 2020, if the General Assembly adjourns on May 6, 2020, as scheduled, and no referendum petition is filed. The bill applies to contracts entered into or renewed on or after the act's effective date.

State and Local Government Contacts

Health Care Policy and Financing
Personnel

Information Technology
Public Health and Environment

Judicial