



Legislative  
Council Staff

*Nonpartisan Services for Colorado's Legislature*

**HB 20-1264**

# FINAL FISCAL NOTE

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

**Date:** August 17, 2020  
**Bill Status:** Postponed Indefinitely  
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**Bill Topic:** **HEALTH CARE CONTRACT HOSPITAL SYSTEM 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 would have created restrictions on contracts between health systems and insurance carriers or other health care providers. It would have minimally increased 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. This bill was not enacted into law; therefore, the impacts identified in this analysis do not take effect.

## 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

This bill was postponed indefinitely by the House Health & Insurance Committee on June 10, 2020.

## State and Local Government Contacts

Health Care Policy and Financing  
Judicial  
Public Health and Environment

Information Technology  
Personnel