



Legislative
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FISCAL NOTE

Drafting Number: LLS 18-0626	Date: April 18, 2018
Prime Sponsors: Rep. Ginal; Sias Sen. Priola; Moreno	Bill Status: House Health, Insurance, and Environment
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Bill Topic: PRIMARY CARE INFRASTRUCTURE CREATION

Summary of Fiscal Impact:

<input checked="" type="checkbox"/> State Revenue (<i>potential</i>)	<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

This bill establishes a primary care payment reform collaborative in the Primary Care Office of the Colorado Department of Public Health and Environment. Beginning in FY 2018-19, this bill increases state expenditures on an ongoing basis.

Appropriation Summary: For FY 2018-19, the bill requires an appropriation of \$167,915 to the Department of Public Health and Environment.

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

**Table 1
State Fiscal Impacts Under HB 18-1365**

	FY 2018-19	FY 2019-20
Revenue	-	-
Expenditures		
General Fund	\$167,915	\$92,509
Centrally Appropriated	\$22,071	\$13,167
Total	\$189,986	\$105,676
Total FTE	0.4 FTE	0.3 FTE
Transfers	-	-
TABOR Refund	-	-

Summary of Legislation

This bill establishes a primary care payment reform collaborative (collaborative) in the Primary Care Office of the Colorado Department of Public Health and Environment (CDPHE). The collaborative must convene no later than September 1, 2018, and is tasked with examining medical expenses allocated to primary care and alternative payment models. The task force must consult with the Commissioner of Insurance in the Department of Regulatory Agencies (DORA), the Department of Health Care Policy and Financing (HCPF), the administrator of the Colorado All-Payer Health Claims Database (APCD), and various stakeholders from the health insurance and Medicaid fields. By August 31, 2019, the administrator of the APCD must provide the collaborative with a report regarding primary care spending.

By October 15, 2019, and each October 15 through FY 2023-24, the collaborative must publish a report on primary care spending and primary care payment reform recommendations, which must be made available electronically to the public. The collaborative may accept gifts, grants, or donations to implement the requirements in this bill. The collaborative will repeal on September 1, 2024, following a sunset review.

State Revenue

Beginning in FY 2018-19, state cash fund revenue may increase to the extent that the CDPHE receives gifts, grants, and donations to implement the collaborative. As of this writing, no sources of gifts, grants, or donations have been identified. Gifts, grants, and donations are exempt from TABOR.

State Expenditures

This bill will increase General Fund expenditures for the CDPHE by \$189,986 in FY 2018-19 and \$105,676 in FY 2019-20 through FY 2023-24. These costs are shown in Table 2 and described below.

**Table 2
Expenditures Under HB 18-1365**

	FY 2018-19	FY 2019-20
Department of Public Health and Environment		
Personal Services	\$35,712	\$23,759
Operating Expenses and Capital Outlay Costs	\$4,703	-
APCD Data Services	\$95,000	\$45,000
Meeting Facilitation and Expenses	\$20,000	\$5,000
Report Writing	\$12,500	\$18,750
Centrally Appropriated Costs*	\$22,071	\$13,167
FTE – Personal Services	0.4 FTE	0.3 FTE
Total Cost	\$189,986	\$105,676
Total FTE	0.4 FTE	0.3 FTE

* Centrally appropriated costs are not included in the bill's appropriation.

Assumptions. It is assumed that the collaborative will meet 10 times, with 8 meetings in FY 2018-19 and 2 meetings in FY 2019-20.

Personal services. CDPHE will require 0.4 FTE in FY 2018-19 to conduct collaborative member recruitment, liaison with DORA and HCPF, organize meetings and arrange for facilities, and communicate with stakeholders and the public. It will require 0.3 FTE in FY 2019-20 through FY 2023-24 to provide ongoing oversight and administrative support to the collaborative. Costs for FTE in FY 2018-19 were prorated to account for the General Fund pay date shift and an assumed start date of August, 1, 2018.

APCD data services. The bill directs the administrator of the APCD, the Center for Improving Value in Health Care (CIVHC), to provide the collaborative with a report regarding primary care spending. CDPHE will require \$95,000 in FY 2018-19 and \$45,000 in FY 2019-20 to purchase assurance and control data from CIVHC. These costs include data extraction, development and calculation of data, and the generation of a report.

Meeting facilitation and expenses. Due to the complexity of the collaborative's discussions, it is assumed that a professional facilitator will be required to facilitate the collaborative's meetings. It is assumed that the facilitator will cost \$2,000 per meeting, or a total of \$16,000 for 8 meetings in FY 2018-19 and \$4,000 for 2 meetings in FY 2019-20. Additionally, it is assumed that meeting supply costs will be an additional \$500 per meeting, or \$5,000 for 10 meetings.

Report writing. Given the complexity of data and recommendations required for the report, it is assumed that the collaborative will require professional writing services. It is assumed that writing services will cost \$125 per hour, and that CDPHE will need 100 hours of writing services in FY 2018-19, and 150 hours of writing services in FY 2019-20. Hours are split between the first and second year to account for the October 15, 2019 deadline for submitting the report.

Other agencies. Beginning in FY 2018-19, this bill will increase workload for the Commissioner of Insurance in DORA and HCPF to assist the collaborative. It is assumed that this workload can be accomplished within existing appropriations to those agencies.

Centrally appropriated costs. Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which include employee insurance and supplemental employee retirement payments, and leased space, are estimated to be \$22,071 in FY 2018-19 and \$13,167 in FY 2019-20 and future years.

Effective Date

The bill takes effect August 8, 2018, if the General Assembly adjourns on May 9, 2018, as scheduled, and no referendum petition is filed.

State Appropriations

For FY 2018-19, the bill requires a General Fund appropriation of \$167,915 and an allocation of 0.4 FTE to the Department of Public Health and Environment.

State and Local Government Contacts

Counties
Human Services
Public Health and Environment

Health Care Policy and Financing
Information Technology
Regulatory Agencies