



Legislative
Council Staff

Nonpartisan Services for Colorado's Legislature

HB 18-1365

**REVISED
FISCAL NOTE**

(replaces fiscal note dated April 18, 2018)

Drafting Number: LLS 18-0626
Prime Sponsors: Rep. Ginal; Sias
 Sen. Priola; Moreno
Date: April 25, 2018
Bill Status: Legislative Council
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Bill Topic: PRIMARY CARE INFRASTRUCTURE CREATION

Summary of Fiscal Impact:

- State Revenue (*potential*)
- State Expenditure (*conditional*)
- State Transfer
- TABOR Refund
- Local Government
- 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. Conditional on the receipt of sufficient gifts, grants, or donations, beginning in FY 2018-19, this bill will increase state expenditures on an ongoing basis.

Appropriation Summary: For FY 2018-19, and conditional upon receiving sufficient gifts, grants, or donations, this bill requires cash fund spending authority for gifts, grants, or donations received by the Department of Public Health and Environment of \$167,915. Additionally, it will require a General Fund appropriation of \$3,496 in FY 2018-19 to the Legislative Department.

Fiscal Note Status: The fiscal note reflects the introduced bill, as amended by the House Health, Insurance, and Environment committee.

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

		FY 2018-19	FY 2019-20
Revenue	Cash Funds	\$189,986*	\$105,676*
Expenditures	General Fund	\$3,496	\$874
	Cash Funds	\$167,915	\$92,509
	Centrally Appropriated	\$22,071	\$13,167
	Total	\$193,482	\$106,550
	Total FTE	0.4 FTE	0.3 FTE
Transfers		-	-
TABOR Refund		-	-

* Cash funds for this bill are required to come from gifts, grants, or donations. These amounts do not affect the 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 is not required to convene until it receives sufficient gifts, grants, or donations for administration. Beginning July 1, 2019, the General Assembly may appropriate money to CDPHE if it has convened. 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. The collaborative is not required to convene until it has received sufficient gifts, grants, or donations. As of this writing, no sources of gifts, grants, or donations have been identified. Gifts, grants, and donations are exempt from TABOR.

State Expenditures

Conditional on the receipt of sufficient gifts, grants or donations, this bill will increase cash expenditures for the CDPHE by \$189,986 in FY 2018-19 and \$105,676 in FY 2019-20 through FY 2023-24. It will also increase General Fund expenditures by \$3,946 in FY 2018-19 and \$874 in FY 2019-20. 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
Legislative Department - Per Diem and Travel	\$3,496	\$874
Centrally Appropriated Costs*	\$22,071	\$13,167
FTE – Personal Services	0.4 FTE	0.3 FTE
Total Cost	\$193,482	\$106,550
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.

Legislative Department. This bill will increase state General Fund expenditures by \$3,496 in FY 2018-19 and \$874 in FY 2019-20 to reimburse legislators for per diem and travel costs. It is assumed that each legislator in the collaborative will receive \$110.50 in per day and \$108 in travel costs per meeting.

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 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. The Department of Public Health and Environment is not required to convene the collaborative until it receives sufficient gifts, grants, or donations.

State Appropriations

For FY 2018-19, the bill requires an appropriation from the Primary Care Office Cash Fund in the amount of \$167,915, and an allocation of 0.4 FTE, to the Department of Public Health and Environment, conditional on the receipt of gifts, grants or donations.

It also requires a General Fund appropriation of \$3,496 to the Legislative Department, conditional on the collaborative convening.

State and Local Government Contacts

Counties	Health Care Policy and Financing
Human Services	Information Technology
Public Health and Environment	Regulatory Agencies