

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING UPDATES TO STATE SURPRISE BILLING LAWS TO FACILITATE THE IMPLEMENTATION OF SURPRISE BILLING PROTECTIONS, AND, IN CONNECTION THEREWITH, ALIGNING STATE LAW WITH THE FEDERAL "NO SURPRISES ACT".

Prime Sponsors: Reps. Esgar and Catlin
Sens. Gardner and Pettersen

JBC Analyst: Mitch Burmeister
Phone: 303-866-3147
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Appropriation Items of Note

Appropriation Required, Amendment in Packet

General Fund Impact

Fiscal Impact of Bill as Amended to Date

The most recent Legislative Council Staff Fiscal Note (attached) reflects the fiscal impact of the bill as of 04/11/22.

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|------------|--|
| XXX | No Change: Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill |
| | Update: Fiscal impact has changed due to <i>new information or technical issues</i> |
| | Update: Fiscal impact has changed due to <i>amendment adopted</i> after LCS Fiscal Note was prepared |
| | Non-Concurrence: JBC Staff and Legislative Council Staff disagree about the fiscal impact of the bill |

The House Health & Insurance Committee Report (04/13/22) includes amendments to the bill, however, Legislative Council Staff and JBC Staff agree that the committee amendments do not change the fiscal impact of the bill.

Amendments in This Packet for Consideration by Appropriations Committee

| Amendment | Description |
|------------------|--|
| J.001 | Staff-prepared appropriation amendment |

Current Appropriations Clause in Bill

The bill requires but does not contain an appropriation clause.

Description of Amendments in This Packet

J.001 Staff has prepared amendment **J.001** (attached) to add a provision appropriating a total of

\$233,018 cash funds from the Division of Insurance Cash Fund to the Department of Regulatory Agencies for FY 2022-23, based on the assumption that the department will require an additional 1.6 FTE. Of that amount, \$88,713 is reappropriated to the Department of Law, based on the assumption that the department will require an additional 0.5 FTE. A further \$7,506 cash funds from the Health Facilities General Licensure Cash Fund is appropriated to the Department of Public Health and Environment for FY 2022-23, based on the assumption that the department will require an additional 0.1 FTE.

Points to Consider*General Fund Impact*

The Joint Budget Committee has proposed a budget package for FY 2022-23 based on the March 2022 Legislative Council Staff revenue forecast. The budget package includes two set-asides:

- \$40.0 million General Fund for bills that create ongoing obligations; and
- \$900.0 million General Fund for bills that create one-time obligations in FY 2022-23.

The \$40.0 million *appropriations* set-aside includes an additional \$6.0 million General Fund to provide a 15.0 percent General Fund reserve for those appropriations. The \$900.0 million *obligations* set-aside does not include an additional amount for a General Fund reserve and, assumes, but does not require, that obligations be addressed through statutory transfers rather than appropriations. Therefore *appropriations* from the \$900.0 million set-aside require an additional 15.0 percent to maintain the statutory General Fund reserve.

Pursuant to Section 10-3-209 (4), C.R.S., taxes on insurance premiums are credited to the Division of Insurance Cash Fund (with a maximum transfer of five percent of premium tax collections) to cover appropriations made by the General Assembly. Any increase in appropriations reduces the amount of tax revenue deposited in the General Fund, thereby reducing the \$900.0 million General Fund set aside for one-time obligations. The bill is anticipated to reduce the set-aside by \$233,018.