

**JBC STAFF FISCAL ANALYSIS
SENATE 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", AND MAKING AN APPROPRIATION.

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 Already Added to Bill, Amendment in Packet

General Fund Impact

Fiscal Impact of Bill as Amended to Date

The most recent Legislative Council Staff Revised Fiscal Note (attached) reflects the fiscal impact of the bill as of 04/27/22.

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

Amendments in This Packet for Consideration by Appropriations Committee

Amendment	Description
J.002	Staff-prepared appropriation amendment

Current Appropriations Clause in Bill

The bill includes a provision that appropriates 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.

Description of Amendments in This Packet

J.002 Staff has prepared amendment **J.002** (attached) to change the existing clause to appropriate the funds to different line items in the Department of Public Health & Environment. There is also a technical correction to the title of the bill. This amendment does not change the fiscal impact of the bill.

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.