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Fiscal Note

Drafting Number: LLS 24-0594 Date: February 22, 2024
Prime Sponsors: Rep. McCormick; Soper Bill Status: House Health & Human Services
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Bill Topic: GROUND AMBULANCE SERVICE RATES & BILLING

Summary of Fiscal Impact: State Revenue, State Expenditure, State Diversion, TABOR Refund, Local Government, Statutory Public Entity

The bill allows local governments to set rates for ambulance services. It increases state expenditures and creates a General Fund diversion beginning in FY 2024-25, and may impact local governments beginning in FY 2024-25.

Appropriation Summary: For FY 2024-25, the bill requires an appropriation of \$36,515 to the Department of Regulatory Agencies.

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

Table 1
State Fiscal Impacts Under HB 24-1218

Table with 4 columns: Category, Sub-category, Budget Year FY 2024-25, Out Year FY 2025-26. Rows include Revenue, Expenditures (Cash Funds, Centrally Appropriated, Total Expenditures, Total FTE), Diversions (General Fund, Cash Funds, Net Diversion), and Other Budget Impacts.

Summary of Legislation

The bill provides regulations for ambulance service rates and billing.

It allows a subdivision of the state (a county, municipality, school district, or special district) to submit established rates for ambulance services to the Division of Insurance in the Department of Regulatory Agencies (DORA). The department must post these rates to their website.

When a covered individual receives ambulance services that are out-of-network, the insurance carrier must reimburse the costs for ambulance services at either the established rates submitted to the DORA or at 325 percent of the federal rates if an established rate is not available.

The bill also prohibits out-of-network ambulance services from billing patients for amounts not covered by the insurance carrier, except for the fees for which the patient is responsible.

Ambulance services can dispute reimbursements.

State Diversion

This bill diverts \$44,059 from the General Fund in FY 2024-25 and \$46,736 in FY 2025-26. This revenue diversion occurs because the bill increases costs in the Division of Insurance in the Department of Regulatory Agencies, which is funded with premium tax revenue that would otherwise be credited to the General Fund.

State Expenditures

The bill increases state expenditures in the DORA by about \$44,000 in FY 2024-25 and \$47,000 in FY 2025-26, paid from the Division of Insurance Cash Fund. Expenditures are shown in Table 2 and detailed below.

Table 2
Expenditures Under HB 24-1218

	FY 2024-25	FY 2025-26
Department of Regulatory Agencies		
Personal Services	\$29,333	\$36,665
Operating Expenses	\$512	\$640
Capital Outlay Costs	\$6,670	-
Centrally Appropriated Costs ¹	\$7,544	\$9,431
Total Cost	\$44,059	\$46,736
Total FTE	0.4 FTE	0.5 FTE

¹ Centrally appropriated costs are not included in the bill's appropriation.

Department of Regulatory Agencies. DORA requires 0.5 FTE to manage complaints from consumers or ambulance service providers for disputes on reimbursement amounts. The fiscal note assumes an increase of 145 complaints per year from this bill, with each complaint requiring 8 hours of staff time. Staff costs are prorated for a September 1, 2024, start date.

Workload for the department will also increase to develop a reporting template for ambulance service rates from subdivisions and publically display submitted rates. These workload impacts are minimal and can be accomplished within existing appropriations.

Local Government

The bill allows local governments to set rates for ambulance services. To the extent that local governments develop and submit rates to the DORA, administrative workload will increase. However, setting and submitting rates are optional. Additionally, depending on their current rates, local governments that have ambulance service rates above the 325 percent rate set in the bill may have negative impacts to their revenue from ambulance services.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State Appropriations

For FY 2024-25, the bill requires an appropriation of \$36,515 to the Department of Regulatory Agencies from the Division of Insurance Cash Fund, and 0.4 FTE.

State and Local Government Contacts

Counties

Public Health and Environment

Special District Association

Local Affairs

Regulatory Agencies

Municipalities

School Districts

The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).