



**COLORADO**

Department of Health Care  
Policy & Financing

1570 Grant Street  
Denver, CO 80203

## VOTE YES on HB 23-1243: Hospital Community Benefit

March 2023

Hospital Community Benefit dollars are intended to act like “in lieu of tax contributions” for the betterment of the community since not-for-profit hospitals don’t pay taxes. A YES vote on HB 23-1243 ensures that hospitals community benefit investment dollars are far more aligned with the actual needs of the community, and that the hundreds of millions of community benefit dollars are directly impacting the changing needs of the community to the betterment of Coloradans for years to come.

Communities have robust and differing needs, such as food insecurity, housing insecurity or behavioral health access gaps. Meeting those needs more directly is a key objective of this bill - through sustainable, year over year funding. Further, as those needs change and evolve, this bill is designed to continue to proactively respond by listening to the changing perspectives and voices of the community, creating a sustainable, collaborative means of addressing our most prominent challenges - community by community, year after year and for years to come.

### What does HB23-1243, with the proposed amendments, do?

This bill builds on HB 19-1320 to further increase non-profit, tax exempt hospital transparency and accountability in listening to the community as decisions are made on how Community Benefit dollars are spent across Colorado. **Like current law, this bill applies only to Colorado’s larger non profit, tax-exempt hospitals, and does not apply to the 32 Critical Access Hospitals in rural and frontier areas of the state.**

#### HB23-1243 accomplishes five main objectives:

- First, it requires the hospitals to provide more specific and detailed spending information, so policymakers and communities across the state can actually tell what activities and initiatives are being funded, and how those initiatives compare with what the community asked for.
- Second, the bill requires the hospital to consider, incorporate and ultimately listen to community feedback in creating their community benefit spending plan, improving on the current annual public engagement process.

Improving health care equity, access and outcomes for the people we serve while  
saving Coloradans money on health care and driving value for Colorado.

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- Third, the bill expands requirements for HCPF to undertake stakeholder work to develop community engagement best practices and efficiencies.
- Fourth, the bill includes the calculation of the value of the not-for-profit hospitals' tax exemption. Colorado's communities need sound estimates of the value of the tax exemption to understand the value of hospitals' community benefit spending in lieu of paying taxes. Let me underscore, this is not a mandate. It's an informative measure.
- Fifth, the bill adds reasonable non-compliance measures.

## Why is this bill needed?

- First, the data reported by hospitals is in such big buckets that one can't track or understand what specific initiatives are being funded by hospitals. So, clearly, we need more informative reporting.
- Second, even using the major categories that are reported, it is clear that the \$965 million in community benefit dollars are not being invested in accordance with community voices and needs.
- Last, Coloradans and our communities have such prominent needs - such as behavioral health supports, food, or housing or meeting the needs of individuals with disabilities - this bill will create more intentional, community-driven, sustainable funding to address today's and tomorrow's emerging community needs - for years to come.

## Examples to help you envision the power of HB23-1243.

- HCPF's Colorado Hospital Community Benefit Annual Report found that communities across the state overwhelmingly want hospitals to **invest in behavioral health services – 95% of hospitals' Community Health Need Assessments included behavioral health as a priority for the community.** But that is simply not happening. Behavioral health is simply not the largest or most prevalent area of hospital community investment. In complement to the state's one-time American Rescue Plan Act (ARPA) behavioral health funding, this bill could help communities invest in behavioral health consistently, year over year, to achieve our shared vision of a truly transformed behavioral health system.
- On **food insecurity**, if that is what the communities select, hospital community investments could help us address ....
  - The 33% of Coloradans who lack reliable access to nutritious food.
  - The 16% of Colorado children aren't getting adequate nutrition due to financial constraints.
  - The 20% of adults who are cutting back or skipping meals because they didn't have enough money to buy food.
  - Or the 7.5% of older adults facing hunger in Colorado.



- On **homelessness**, if that is what some communities select, HB23-1243 could enable communities to address the 10,857 Coloradans homeless on a given night, according to the National Alliance to End Homelessness.

## Stakeholder Engagement

We have addressed the voiced concerns with the bill in a number of ways. Below corrects misinformation about who is subject to the bill and outlines how we have worked to address the concerns raised through amendments.

- First, like current law, **this bill ONLY applies to Colorado's larger non profit, tax-exempt hospitals. Like HB19-1001, this bill before you DOES NOT apply to the 32 Critical Access Hospitals.**
- Second, the original version of the bill included a minimum threshold of community investment required of hospitals. It also tied Disproportionate Share Hospital (DSH, pronounced "dish") payments to the spending threshold. We understand those concerns and we have removed the provisions through an amendment that has been shared with the Colorado Hospital Association and others. So, **there is no longer ANY form of minimum required community investment in this bill.** With the removal of the minimum investment threshold and the tie to DSH payments, no valid concerns remain about a possible reduction in care for Medicaid members or uninsured Coloradans or to limiting research or provider training and recruitment.
- Third, there was a **concern voiced on the provision that tried to prohibit profits and reserves earned in the state, from leaving the state. We have removed that provision** through an amendment as well.
- Fourth, the Colorado Hospital Association (CHA) voiced concern that not enough **stakeholding** was done with hospitals. CHA requires that we stakehold hospitals through CHA, and not directly with hospitals. We honored that request.
  - HCPF told CHA in January, and several times after, that the three January 2023 reports released outlined their intentions. **The recommendations in this bill are right in the Community Benefit Accountability Report Recommendations section published in January 2023. These recommendations were also in the January 2022 Community Benefit Accountability Report, so nothing in the bill is unexpected.**
  - CHA asked for 12 changes to the bill. Of those, 6 were fully accepted and 2 were accepted in part. 4 changes we have not made.
  - We further accepted and implemented changes from the Colorado University School of Medicine and from the Denver Regional Council of Governments, which is an Area Agency on Aging (known as DRCOG).



Prior to engaging CHA, HCPF met with consumer advocate groups beginning in January 2023 to align and combine two emerging bills addressing the same Hospital Community Benefit issues. The combined bill draft was shared with CHA on March 7. We have had robust discussions since that time.

### **What are the consequences if this bill is not passed?**

Colorado's nonprofit hospitals are some of the most profitable in the nation and realize significant financial benefits from their tax exempt status. For their tax exemption, hospitals assume an obligation to provide community benefits that align with the interests of their communities. If this bill is not passed, many tax-exempt hospitals will continue to determine how Community Investment dollars are spent, without robust community input, resulting in a continuation of unilateral decision making on community investments - that do not respond well to the voiced needs of Coloradans.

### **What is the fiscal impact of this bill?**

There is no fiscal impact for this bill.

### **Supporters of this bill**

A wide range of state and local governments, employers and consumers support this legislation. This is not a comprehensive list and will be updated to add other organizations.

AARP  
Center for African American Health  
Colorado Center for Law & Policy  
Colorado Consumer Health Initiative  
Colorado Cross-Disability Coalition  
Colorado Department of Health Care Policy & Financing  
Colorado Organization for Latina Opportunity and Reproductive Rights (COLOR)  
Denver Health  
Denver Regional Council of Governments (DRCOG)  
Mental Health Colorado  
New Era Colorado  
Signal Behavioral Health Network  
Tamara Pogue, Summit County Commissioner  
Young Invincibles

### **For more information contact**

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