



**Legislative Council Staff**  
*Nonpartisan Services for Colorado's Legislature*

**Fiscal Note  
Memorandum**

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**April 11, 2018**

**TO:** Representative Chris Kennedy  
Members of the House Finance Committee

**FROM:** Bill Zepernick, Principal Fiscal Analyst  
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**SUBJECT:** Fiscal Assessment of Proposed Amendment **HB1212\_L.003**.

This memorandum is an assessment of the fiscal impact of the attached proposed **Amendment L.003 to House Bill 18-1212**. This fiscal assessment is for the impact of the bill with inclusion of this amendment only. Any other added amendment could influence the fiscal impact.

**Summary of Proposed Amendment**

Amendment L.003 requires the Department of Health Care Policy and Financing (HCPF) to review the financial disclosures by licensed freestanding emergency departments on a rotating three-year cycle. It also requires HCPF to determine the content and submission procedures for these disclosure reports in rule.

**Fiscal Impact of Amendment**

Compared to the original fiscal note of March 8, 2018, Amendment L.003 will reduce ongoing General Fund expenditures in HCPF by \$125,000 per year starting in FY 2021-22. Rather than audit all freestanding emergency rooms every year, Amendment L.003 will instead allow HCPF to review the financial disclosures of these facilities once every three years, resulting in only one-third of facilities being reviewed each year. Thus, auditing costs in HCPF are reduced from \$200,000 per year to \$75,000 per year.

**Bill's Revised Fiscal Impact with Amendment**

The fiscal impact of HB 18-1212 with Amendment L.003 are shown in Table 1 below. Costs in FY 2018-19 through FY 2020-21 are unchanged. As discussed above, costs in FY 2021-22 and future years are reduced compared to the original fiscal note.

**Table 1  
State Fiscal Impacts Under HB 18-1212**

		<b>FY 2018-19</b>	<b>FY 2019-20</b>	<b>FY 2020-21</b>	<b>FY 2021-22</b>
<b>Revenue</b>	Cash Funds	-	-	\$305,900	\$114,900
	<b>Total</b>	-	-	<b>\$305,900</b>	<b>\$114,900</b>
<b>Expenditures</b>	General Fund	-	-	\$41,578	\$148,749
	Cash Funds	\$29,411	\$112,021	\$164,067	\$68,180
	Centrally Appropriated	\$12,707	\$37,381	\$78,526	\$40,347
	<b>Total</b>	<b>\$42,118</b>	<b>\$149,402</b>	<b>\$284,171</b>	<b>\$257,276</b>
	<b>Total FTE</b>	<b>0.4 FTE</b>	<b>0.6 FTE</b>	<b>2.5 FTE</b>	<b>1.7 FTE</b>
<b>Transfers</b>		-	-	-	-

HB1212\_L.003

HOUSE COMMITTEE OF REFERENCE AMENDMENT

Committee on Finance.

HB18-1212 be amended as follows:

- 1 Amend printed bill, page 4, line 5, after "PURPOSES." add "THE
- 2 DEPARTMENT OF HEALTH CARE POLICY AND FINANCING SHALL, BY RULE,
- 3 DETERMINE THE CONTENTS OF, AND THE SUBMISSION PROCEDURE FOR, THE
- 4 ANNUAL REPORTS THAT MUST BE SUBMITTED IN ACCORDANCE WITH THIS
- 5 SUBSECTION (2)(b)(I). THE DEPARTMENT OF HEALTH CARE POLICY AND
- 6 FINANCING SHALL MAKE THE ANNUAL REPORTS AVAILABLE TO THE
- 7 PUBLIC."
  
- 8 Page 4, line 10, after "SECTION." add "THE DEPARTMENT OF HEALTH CARE
- 9 POLICY AND FINANCING SHALL REVIEW THE ANNUAL REPORTS OF EACH
- 10 FACILITY ONCE EVERY THREE YEARS RESULTING IN ONE-THIRD OF TOTAL
- 11 FACILITIES UNDER REVIEW EACH YEAR."

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