



**Legislative
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FISCAL NOTE

Drafting Number:	LLS 18-0865	Date:	February 13, 2018
Prime Sponsors:	Sen. Aguilar Rep. Pettersen	Bill Status:	Senate SVMA
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Bill Topic: HOSPITAL COMMUNITY BENEFITS REPORTING REQUIREMENTS

Summary of Fiscal Impact:

<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

This bill requires certain hospitals to submit information on benefits received from their tax-exempt status and the community benefits they provide. The Department of Health Care Policy and Financing will compile an annual report of this information. This bill increases state expenditures through FY 2021-22.

Appropriation Summary: For FY 2018-19, this bill requires an appropriation of \$68,445 to the Department of Health Care Policy and Financing.

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

**Table 1
State Fiscal Impacts Under SB 18-155**

		FY 2018-19	FY 2019-20
Revenue		-	-
Expenditures	General Fund	\$68,445	\$69,450
	Centrally Appropriated	\$12,300	\$13,551
	Total	\$80,745	\$83,001
	Total FTE	0.9 FTE	1.0 FTE
Transfers		-	-

Summary of Legislation

This bill requires hospitals that are exempt from state or local taxes, other than critical access hospitals, to report information on the tax benefits they receive and the community benefits they provide. This information must be reported by hospitals to the Department of Health Care Policy and Financing (HCPF). The bill creates the 11-member Hospital Community Benefit Advisory Council in HCPF to analyze this information, develop recommendations, and report to the General Assembly. This report must be submitted annually by December 1 each year from 2019 to 2021. The bill specifies the membership of the advisory committee and that members serve without compensation or reimbursement of expenses. The advisory committee is repealed September 1, 2022, following a sunset review.

Assumptions

Out of the 103 licensed hospitals in the state, the fiscal note assumes that 45 tax-exempt general hospitals will be subject to the reporting requirements under the bill. It is assumed that staff will be hired by HCPF on July 1, 2018, and that the advisory committee will be appointed and begin its work by August 1, 2018.

State Expenditures

The bill increases costs in HCPF by \$80,745 and 0.9 FTE in FY 2018-19 and \$83,001 and 1.0 FTE in FY 2019-20. These costs, which are paid from the General Fund, will continue through FY 2021-22. Costs under the bill are shown in Table 2 and discussed below.

Table 2
Expenditures Under SB 18-155

	FY 2018-19	FY 2019-20
Department of Health Care Policy and Financing		
Personal Services	\$92,992	\$101,445
Operating Expenses and Capital Outlay Costs	\$11,306	\$1,900
Centrally Appropriated Costs*	\$21,624	\$23,855
FTE – Personal Services	1.8 FTE	2.0 FTE
Total Cost	\$125,922	\$127,200
Total FTE	1.8 FTE	2.0 FTE

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

Staffing expenses. HCPF will require 1.0 FTE for an analyst to support the advisory committee, process reports received from hospitals, review and analyze data. Salary, operating, and capital expenses for this staff are shown in Table 2 above. First-year costs are prorated to reflect the General Fund payday shift.

Committee representation. The Colorado Department of Public Health and Environment and HCPF will have additional workload for staff to serve on the advisory committee. It is assumed that this work can be accomplished within existing appropriations.

Centrally appropriated costs. Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which include employee insurance and supplemental employee retirement payments, are estimated to be \$12,300 in FY 2018-19 and \$13,551 in FY 2019-20.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State Appropriations

For FY 2018-19, this bill requires a General Fund appropriation of \$68,445 to the Department of Health Care Policy and Financing and an allocation of 0.9 FTE.

Departmental Difference

HCPF estimates that this bill will increase its costs by \$94,755 and 1.4 FTE in FY 2018-19 and by \$127,200 and 2.0 FTE in FY 2019-20. The fiscal note does not include the full FTE amount estimated by HCPF because it assumes that 1.0 FTE is sufficient to accomplish the work required under the bill.

State and Local Government Contacts

Counties	Health Care Policy and Financing
Higher Education	Information Technology
Law	Municipalities
School Districts	Public Health and Environment