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FISCAL NOTE

Drafting Number: LLS 19-0613 **Date:** April 19, 2019
Prime Sponsors: Rep. Kennedy; Lontine **Bill Status:** House Health & Insurance
Fiscal Analyst: Erin Reynolds | 303-866-4146
 Erin.Reynolds@state.co.us

Bill Topic: HOSPITAL COMMUNITY BENEFIT ACCOUNTABILITY

- Summary of Fiscal Impact:**
- State Revenue
 - State Expenditure
 - State Transfer
 - TABOR Refund
 - Local Government
 - Statutory Public Entity

This bill creates regional Hospital Community Accountability Boards and requires nonprofit hospitals to submit community benefit reports to their respective boards. The bill will increase state expenditures on an ongoing basis.

Appropriation Summary: For FY 2019-20, the bill requires an appropriation of \$65,701 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 HB 19-1320

		FY 2019-20	FY 2020-21
Revenue		-	-
Expenditures	General Fund	\$65,701	\$73,027
	Centrally Appropriated	\$10,110	\$12,908
	Total	\$75,811	\$85,935
	Total FTE	0.8 FTE	1.0 FTE
Transfers		-	-
TABOR Refund		-	-

Summary of Legislation

This bill establishes Hospital Community Accountability Boards in each of the seven regions of Colorado, as defined by the Department of Health Care Policy and Financing's (HCPF's) regional accountable entity model. Each board consists of 15 members who must reside or work full-time in the region and be appointed according to criteria outlined in the bill, with all members initially appointed by January 1, 2020.

Each nonprofit hospital must report to HCPF and its regional accountability board concerning its community health needs assessment, community benefit implementation plan, and community benefit activities in the preceding year. For-profit hospitals are also encouraged to submit these reports.

Each board must meet at least once a year to review each community benefit-related report. Board members must be reimbursed for all actual and necessary travel expenses incurred for vehicle travel. HCPF is required to provide staff assistance to each community board. HCPF is required to provide a summary report by September 1, 2020, and each year thereafter, to the health committees of the General Assembly.

State Expenditures

The bill will increase state General Fund expenditures by \$75,811 and 0.8 FTE in FY 2019-20 and \$85,935 and 1.0 FTE in FY 2020-21 and ongoing. It is assumed that federal matching funds are not available for these costs because the requirements do not relate to the administration of the state's Medicaid plan. These costs are shown in Table 2 and discussed below.

Table 2
Expenditures Under HB 19-1320

	FY 2019-20	FY 2020-21
Department of Health Care Policy and Financing		
Personal Services	\$35,514	\$47,353
Operating Expenses and Capital Outlay Costs	\$5,463	\$950
Staff Travel	\$6,832	\$6,832
Meeting Incidentals	\$12,432	\$12,432
Mileage Reimbursement for Board Members	\$5,460	\$5,460
Centrally Appropriated Costs*	\$10,110	\$12,908
Total Cost	\$75,811	\$85,935
Total FTE	0.8 FTE	1.0 FTE

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

Department of Health Care Policy and Financing. In order to provide staff assistance to each community board, the bill requires 0.8 FTE in FY 2019-20, and 1.0 FTE in FY 2020-21 and ongoing. This staff will manage a website; provide technical assistance for the submission of the hospital reports; manage and coordinate meeting agendas and arrangements; travel and attend

all board meetings; publish agendas and minutes for the community meetings; and assist existing staff in compiling the annual summary report. First year costs are prorated for the General Fund paydate shift and a September 1, 2019, start date. Travel costs for this staff assume seven trips at a cost of \$976 per meeting, including mileage and lodging. Meeting incidentals assume a cost of \$1,776 per meeting for room rental, refreshments, and other incidentals. Travel mileage assumes the 105 members will travel an average of 100 miles round-trip to each meeting at the standard mileage rate of 52¢ per mile.

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 \$10,110 in FY 2019-20 and \$12,908 in FY 2020-21.

Effective Date

The bill takes effect August 2, 2019, if the General Assembly adjourns on May 3, 2019, as scheduled, and no referendum petition is filed.

State Appropriations

For FY 2019-20, the bill requires a General Fund appropriation of \$65,701 to the Department of Health Care Policy and Financing and an allocation of 0.8 FTE.

State and Local Government Contacts

Health Care Policy and Financing