

Second Regular Session
Seventy-second General Assembly
STATE OF COLORADO

ENGROSSED

*This Version Includes All Amendments Adopted
on Second Reading in the House of Introduction*

LLS NO. 20-1196.01 Jason Gelender x4330

HOUSE BILL 20-1386

HOUSE SPONSORSHIP

McCluskie, Esgar

SENATE SPONSORSHIP

Moreno, Zenzinger, Rankin

House Committees
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE USE OF A SPECIFIED AMOUNT OF THE MONEY IN THE**
102 **HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE CASH**
103 **FUND TO OFFSET GENERAL FUND EXPENDITURES FOR THE STATE**
104 **MEDICAL ASSISTANCE PROGRAM, AND, IN CONNECTION**
105 **THEREWITH, MAKING AND REDUCING APPROPRIATIONS.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov/>.)

Joint Budget Committee. For the 2020-21 state fiscal year (FY 2020-21), the bill:

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

HOUSE
2nd Reading Unamended
June 1, 2020

- ! Authorizes the use of healthcare affordability and sustainability fee revenue for state medical assistance program expenditures;
- ! Requires \$161 million to be appropriated from the healthcare affordability and sustainability fee cash fund to offset general fund expenditures for the state medical assistance program;
- ! Reduces the FY 2020-21 general fund appropriation to the department of health care policy and financing (HCPF) for medical services premiums by \$161 million; and
- ! Appropriates \$161 million from the healthcare affordability and sustainability fee cash fund to HCPF for medical services premiums.

The bill also clarifies that if the amount of healthcare affordability and sustainability fee revenue collected exceeds a federal limit, hospitals that received such excess federal matching money are responsible for repaying the excess federal money and any associated federal penalties to the federal government.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 25.5-4-402.4, **amend**
3 (4)(a) introductory portion, (5)(b)(VIII), and (6)(a)(I); and **add**
4 (4)(a)(II.5), (5)(b)(VIII.5), and (6)(b)(I.5) as follows:

5 **25.5-4-402.4. Hospitals - healthcare affordability and**
6 **sustainability fee - legislative declaration - Colorado healthcare**
7 **affordability and sustainability enterprise - federal waiver - fund**
8 **created - rules - reports - repeal. (4) Healthcare affordability and**
9 **sustainability fee.** (a) For the fiscal year commencing July 1, 2017, and
10 for each fiscal year thereafter, the enterprise is authorized to charge and
11 collect a healthcare affordability and sustainability fee, as described in 42
12 CFR 433.68 (b), on outpatient and inpatient services provided by all
13 licensed or certified hospitals, referred to in this section as "hospitals", for
14 the purpose of obtaining federal financial participation under the state
15 medical assistance program as described in this article 4 and articles 5 and

1 6 of this title 25.5, referred to in this section as the "state medical
2 assistance program", and the Colorado indigent care program described
3 in part 1 of article 3 of this title 25.5, referred to in this section as the
4 "Colorado indigent care program". IF THE AMOUNT OF HEALTHCARE
5 AFFORDABILITY AND SUSTAINABILITY FEE REVENUE COLLECTED EXCEEDS
6 THE FEDERAL NET PATIENT REVENUE-BASED LIMIT ON THE AMOUNT OF
7 SUCH FEE REVENUE THAT MAY BE COLLECTED, REQUIRING REPAYMENT TO
8 THE FEDERAL GOVERNMENT OF EXCESS FEDERAL MATCHING MONEY
9 RECEIVED, HOSPITALS THAT RECEIVED SUCH EXCESS FEDERAL MATCHING
10 MONEY SHALL BE RESPONSIBLE FOR REPAYING THE EXCESS FEDERAL
11 MONEY AND ANY ASSOCIATED FEDERAL PENALTIES TO THE FEDERAL
12 GOVERNMENT. The enterprise shall use the healthcare affordability and
13 sustainability fee revenue to:

14 (II.5) (A) FOR STATE FISCAL YEAR 2020-21 ONLY, OFFSET
15 GENERAL FUND EXPENDITURES FOR THE STATE MEDICAL ASSISTANCE
16 PROGRAM.

17 (B) THIS SUBSECTION (4)(a)(II.5) IS REPEALED, EFFECTIVE
18 DECEMBER 31, 2021.

19 (5) **Healthcare affordability and sustainability fee cash fund.**

20 (b) All money in the fund is subject to federal matching as authorized
21 under federal law and, subject to annual appropriation by the general
22 assembly, shall be expended by the enterprise for the following purposes:

23 (VIII) Subject to any necessary federal waivers being obtained, to
24 provide funding for a health care delivery system reform incentive
25 payments program as described in subsection (8) of this section; ~~and~~

26 (VIII.5) (A) FOR STATE FISCAL YEAR 2020-21 ONLY, ONE
27 HUNDRED SIXTY-ONE MILLION DOLLARS SHALL BE APPROPRIATED TO

1 OFFSET GENERAL FUND EXPENDITURES FOR THE STATE MEDICAL
2 ASSISTANCE PROGRAM.

3 (B) THIS SUBSECTION (5)(b)(VIII.5) IS REPEALED, EFFECTIVE
4 DECEMBER 31, 2021.

5 (6) **Appropriations.** (a) (I) EXCEPT AS OTHERWISE PROVIDED IN
6 SUBSECTION (6)(b)(I.5) OF THIS SECTION, the healthcare affordability and
7 sustainability fee is to supplement, not supplant, general fund
8 appropriations to support hospital reimbursements. General fund
9 appropriations for hospital reimbursements shall be maintained at the
10 level of appropriations in the medical services premium line item made
11 for the fiscal year commencing July 1, 2008; except that general fund
12 appropriations for hospital reimbursements may be reduced if an index of
13 appropriations to other providers shows that general fund appropriations
14 are reduced for other providers. If the index shows that general fund
15 appropriations are reduced for other providers, the general fund
16 appropriations for hospital reimbursements shall not be reduced by a
17 greater percentage than the reductions of appropriations for the other
18 providers as shown by the index.

19 (b) If the revenue from the healthcare affordability and
20 sustainability fee is insufficient to fully fund all of the purposes described
21 in subsection (5)(b) of this section:

22 (I.5) (A) ONE HUNDRED SIXTY-ONE MILLION DOLLARS OF REVENUE
23 FROM THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE SHALL
24 BE USED FIRST TO OFFSET GENERAL FUND EXPENDITURES FOR THE STATE
25 MEDICAL ASSISTANCE PROGRAM.

26 (B) THIS SUBSECTION (6)(b)(I.5) IS REPEALED, EFFECTIVE
27 DECEMBER 31, 2021.

1 **SECTION 2. Appropriation - adjustments to 2020 long bill.**

2 (1) To implement this act, the general fund appropriation made in the
3 annual general appropriation act for the 2020-21 state fiscal year to the
4 department of health care policy and financing for medical services
5 premiums is decreased by \$161,000,000.

6 (2) For the 2020-21 state fiscal year, \$161,000,000 is appropriated
7 to the department of health care policy and financing. This appropriation
8 is from the healthcare affordability and sustainability fee cash fund
9 created in section 25.5-4-402.4 (5)(a), C.R.S. To implement this act, the
10 department may use this appropriation for medical services premiums.

11 **SECTION 3. Safety clause.** The general assembly hereby finds,
12 determines, and declares that this act is necessary for the immediate
13 preservation of the public peace, health, or safety.