



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Revised Fiscal Note

(replaces fiscal note dated March 27, 2023)

Drafting Number:	LLS 23-0849	Date:	April 18, 2023
Prime Sponsors:	Rep. Amabile Sen. Moreno	Bill Status:	Senate Health and Human Services
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Bill Topic: HOSPITAL COMMUNITY BENEFIT

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

The bill restricts out-of-state spending for hospitals, and adds reporting, enforcement, and stakeholder engagement requirements to the Hospital Community Benefit Program. The bill increases state workload on an ongoing basis.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: This revised fiscal note reflects the reengrossed bill.

Summary of Legislation

The bill establishes corrective action procedures for hospitals that fail to meet the minimum community investment threshold. The bill also restricts out-of-state spending and transactions for covered hospitals, with the amount spent out of state not to exceed the total margins earned in Colorado.

Finally, the bill places reporting requirements on hospitals that participate in the Hospital Community Benefit Program and requires HCPF to review the reports and conduct a stakeholder meeting. As part of these requirements, the bill requires the Office of the State Auditor to calculate the federal, state, and local tax exemption received by each hospital. HCPF can enforce compliance with the bill through fines and additional reporting requirements.

Background

The Hospital Community Benefit Program requires nonprofit hospitals to make investments that address health needs in their communities. HCPF collects and publishes annual reports from hospitals regarding these investments. HCPF is also required to summarize these reports in its annual hospital expenditure report.

Assumptions.

While the bill allows HCPF to impose fines on reporting hospitals for noncompliance, it is assumed that these fines do not constitute state revenue and are not subject to TABOR. Instead, hospitals are required to spend the amount of any fines imposed on eligible community benefit activities.

State Expenditures

The bill minimally increases workload for HCPF in several areas. HCPF will be required to take additional actions to enforce compliance with the community investment thresholds, as well as for additional reporting and stakeholder engagement. No change in appropriations is required.

Technical Note

The Office of the State Auditor does not have the authority to collect the necessary information or calculate the tax exemptions received by hospitals. Thus this fiscal note does not calculate the cost of this requirement.

Effective Date

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

State and Local Government Contacts

Counties
Law

Health Care Policy and Financing
Public Health and Environment

Information Technology