



## Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

# Final Fiscal Note

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<b>Drafting Number:</b>	LLS 23-0554	<b>Date:</b>	August 8, 2023
<b>Prime Sponsors:</b>	Sen. Van Winkle; Gonzales Rep. Daugherty; Hartsook	<b>Bill Status:</b>	Signed into Law
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**Bill Topic:** MEDICAL PRICE TRANSPARENCY

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**Summary of Fiscal Impact:**

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

The bill places price disclosure requirements on hospitals. Failure to comply is a deceptive trade practice and subjects the hospital to corrective action. The bill minimally impacts state and local revenue and expenditures on an ongoing basis.

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**Appropriation Summary:** No appropriation is required.

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**Fiscal Note Status:** The fiscal note reflects the enacted bill.

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## Summary of Legislation

The bill requires hospitals to disclose Medicare reimbursement rates. The Department of Health Care Policy and Financing (HCPF) must monitor hospitals for compliance with this and federal price transparency rules, and take corrective action. Failure to comply is a deceptive trade practice. The bill also moves existing hospital transparency reporting requirements from the Department of Public Health and Environment (CDPHE) to HCPF.

## State Revenue

The bill may increase state revenue from civil penalties and court filing fees by a minimal amount.

**Civil penalties.** Under the Colorado Consumer Protection Act, a person committing a deceptive trade practice may be subject to a civil penalty of up to \$20,000 for each violation. Additional penalties may be imposed for subsequent violations of a court order or injunction. This revenue is classified as a damage award and not subject to TABOR. Given the uncertainty about the number of cases that may be pursued by the Attorney General and district attorneys, as well as the wide range in potential penalty amounts, the fiscal note cannot estimate the potential impact of these civil penalties.

**Filing fees.** The bill may increase revenue to the Judicial Department from an increase in civil case filings. Revenue from filing fees is subject to TABOR.

## **State Expenditures**

The bill impacts workload in the Department of Health Care Policy and Financing, the Department of Law (DOL), the Judicial Department, and the CDPHE by a minimal amount.

**Department of Health Care Policy and Financing.** Workload in HCPF will minimally increase to assume responsibilities previously under CDPHE, design the disclosure template, monitor hospitals for compliance, and take corrective action. This work is absorbable within current resources.

**Department of Law.** Workload in the DOL will minimally increase to the extent that deceptive trade practice complaints are filed. The DOL will review complaints under the bill and prioritize investigations as necessary within the overall number of deceptive trade practice complaints and available resources.

**Judicial Department.** The trial courts in the Judicial Department may have an increase in cases filed under the Colorado Consumer Protection Act from the addition of a new deceptive trade practice. It is assumed that impacted entities will abide by the law and that any violation of the legislation will result in minimal number of new cases. In addition, requirements for documents filed in legal proceedings related to medical debt may slightly streamline court workload. The fiscal note assumes that workload changes can be accomplished within existing resources and that no change in appropriations is required.

**Department of Public Health and Environment.** Workload in CDPHE will minimally decrease as some of the department's responsibilities transfer to HCPF. CDPHE did not receive an appropriation for these responsibilities, so no change in appropriations is required.

## **Local Government**

Similar to the state, to the extent district attorneys receive deceptive trade practice complaints related to the new deceptive trade practice under the bill, workload will increase to investigate complaints and seek relief when appropriate. It is assumed most such cases will be handled at the state level by the Attorney General.

## **Effective Date**

The bill was signed into law by the Governor on June 2, 2023, and it took effect on August 7, 2023.

## **State and Local Government Contacts**

Health Care Policy and Financing	Higher Education	Human Services
Information Technology	Law	Public Health and Environment
Regulatory Agencies		