



Legislative Council Staff
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Fiscal Note

Drafting Number:	LLS 23-0468	Date:	April 26, 2023
Prime Sponsors:	Sen. Gardner; Roberts Rep. McCormick; Bockenfeld	Bill Status:	Senate Health & Human Services
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Bill Topic: **ALLOW PUBLIC HOSPITAL COLLABORATION AGREEMENTS**

Summary of Fiscal Impact:	<input 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 exempts hospitals with fewer than 50 beds from select antitrust requirements for the purpose of improving healthcare access in rural or frontier communities. The bill increases state expenditures on an ongoing basis.

Appropriation Summary: For FY 2023-24, the bill requires an appropriation of \$60,519 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 23-298

		Budget Year FY 2023-24	Out Year FY 2024-25
Revenue		-	-
Expenditures	Cash Funds	\$30,260	\$32,336
	Federal Funds	\$30,259	\$32,336
	Centrally Appropriated	\$13,754	\$16,945
	Total Expenditures	\$74,273	\$81,617
	Total FTE	0.8 FTE	1.0 FTE
Transfers		-	-
Other Budget Impacts		-	-

Summary of Legislation

The bill exempts hospitals with fewer than 50 beds from select antitrust requirements for the purpose of improving healthcare access in rural or frontier communities. The bill specifies this exemption does not extend to actions that have the effect of setting reimbursement rates, dividing services among hospitals, or reducing the wages of hospital staff. To qualify hospitals must submit proposals to the Department of Health Care Policy and Financing (HCPF), which must refer proposals of merit to the Attorney General. Proposals must be approved or denied within 60 days, or else will be deemed approved, and may be reviewed annually.

State Expenditures

The bill increases state expenditures in HCPF by \$74,000 in FY 2023-24 and \$82,000 in FY 2024-25, paid from the Healthcare Affordability and Sustainability Cash Fund and federal funds. Expenditures are shown in Table 2 and detailed below.

Table 2
Expenditures Under SB 23-298

	FY 2023-24	FY 2024-25
Department of Health Care Policy and Financing		
Personal Services	\$52,769	\$63,322
Operating Expenses	\$1,080	\$1,350
Capital Outlay Costs	\$6,670	-
Centrally Appropriated Costs ¹	\$13,754	\$16,945
Total Cost	\$74,273	\$81,617
Total FTE	0.8 FTE	1.0 FTE

¹ Centrally appropriated costs are not included in the bill's appropriation.

Department of Health Care Policy and Financing. HCPF requires 1.0 FTE to evaluate proposals and study the effectiveness of approved proposals including economy-wide impacts. Standard operating and capital outlay costs are included and costs are prorated for the bill's effective date. Additionally, HCPF may require legal services for rulemaking purposes; however, this is assumed to require fewer than 100 hours and can be absorbed within existing resources.

Department of Law. Workload will increase in the Consumer Protection Unit of DOL to evaluate proposals that have been referred to the unit from HCPF. These evaluations are assumed to require fewer than 40 hours each and can be accommodated within existing resources.

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 shown in Table 2.

Local Government and Special Districts

Certain county public hospitals and health services districts may experience cost savings due to participation in the cooperative activities authorized in the bill.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State Appropriations

For FY 2023-24, the bill requires an appropriation of \$60,519 split evenly between the Healthcare Affordability and Sustainability Cash Fund and federal funds, to the Department of Health Care Policy and Financing, and 0.8 FTE.

State and Local Government Contacts

Counties	Health Care Policy and Financing	Information Technology
Judicial	Law	Regulatory Agencies