

**CONDITIONAL FISCAL IMPACT**

**Drafting Number:** LLS 10-0523

**Date:** February 23, 2010

**Prime Sponsor(s):** Rep. Kefalas; Kagan  
Sen. Morse

**Bill Status:** House Health and Human Services

**Fiscal Analyst:** Kerry White (303-866-3469)

**TITLE:** CONCERNING THE CREATION OF AN ADVISORY COMMITTEE TO MAKE RECOMMENDATIONS REGARDING THE CREATION OF A COLORADO ALL-PAYER HEALTH CLAIMS DATABASE FOR THE PURPOSE OF TRANSPARENT PUBLIC REPORTING OF HEALTH CARE INFORMATION.

<b>Fiscal Impact Summary</b>	<b>FY 2010-2011</b>	<b>FY 2011-2012</b>
<b>State Revenue</b> Cash Funds - Gifts, Grants, and Donations		
<b>State Expenditures</b> General Fund Cash Funds - Gifts, Grants, and Donations Federal Funds		Potential increase in all funding sources
<b>FTE Position Change</b>		
<b>Effective Date:</b> August 11, 2010, assuming the General Assembly adjourns May 12, 2010, as scheduled and no referendum petition is filed.		
<b>Appropriation Summary for FY 2010-2011:</b> None required.		
<b>Local Government Impact:</b> None.		

**Summary of Legislation**

HB10-1330 requires the Department of Health Care Policy and Financing (DHCPF) to create an advisory committee to make recommendations for creating a Colorado all-payer health claims database. The database is to be user-friendly, public, and meet certain criteria for transparency and data quality.

The DHCPF is directed to appoint an administrator to guide the committee and seek funding from gifts, grants, and donations. If sufficient revenue is received by January 1, 2012, the database is required to be operational no later than January 1, 2013. Should this occur, the administrator is also charged with establishing agreements for voluntary reporting by claims payers, ensuring patient privacy, and producing reports.

## **State Revenue and Expenditures**

This bill is assessed as having a conditional fiscal impact as state revenue and expenditures could increase with the receipt of gifts, grants, and donations, and if the new claims database is developed. This analysis assumes that the Center for Improving Value in Health Care (CIVHC) would be appointed administrator by the DHCPF, and perform all associated fundraising and program activities. The CIVHC was established by executive order in 2008 and receives administrative support, information, and data from the DHCPF. The CIVHC is permitted to cover its expenses by gifts, grants, and donations credited to the Governor's Office.

**Revenue.** Gifts, grants, and donations are required to fund any costs under HB10-1330. As it is unknown how many gifts, grants, or donations would be received by the CIVHC, the amount of potential revenue cannot be estimated.

**Expenses under the CIVHC.** The bill requires that sufficient revenue from gifts, grants, and donations be received by January 1, 2012, in order to develop the all-payer claims database. Costs for developing the database will depend on specifications established by the new advisory committee. The fiscal note assumes that staff and operational costs for the administrator will be paid by CIVHC to the extent sufficient gifts, grants, and donations are received. Costs cannot be estimated until such time as the committee is convened and creates database specifications.

**Expenses for State Agencies.** The DHCPF will incur some programming costs in order to share information with a new database once it is in place. These costs will likely occur in 2012, based upon the final product developed, and comprise equal amounts of General Fund and federal funds.

The bill also directs the DHCPF, the Governor's Office of Information Technology, and the Department of Personnel & Administration to participate as members of the advisory committee. This analysis assumes that staff costs can be absorbed within existing resources.

## **Departments Contacted**

Governor's Office  
Personnel & Administration

Health Care Policy and Financing  
Regulatory Agencies