

REVISED CONDITIONAL FISCAL IMPACT

(replaces fiscal note dated February 23, 2010)

Drafting Number: LLS 10-0523

Date: March 18, 2010

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

Bill Status: Senate 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.

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

Summary of Legislation

This engrossed bill 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 that are not subject to mandatory reporting requirements, 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. If an all-payer claims database is created, the amended bill also allows the DHCPF to establish and collect fines from payers that do not comply with mandatory reporting requirements. Fine revenue is conditional upon the database being developed and the nature of the reporting requirements established, and cannot be estimated at this time.

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, the Department of Personnel & Administration, and 2 members of the General Assembly to participate as members of the advisory committee. This analysis assumes that staff costs or mileage reimbursement can be absorbed within existing resources.

Departments Contacted

Governor's Office
Personnel & Administration

Health Care Policy and Financing
Regulatory Agencies