

**STATE
FISCAL IMPACT**

Drafting Number: LLS 11-0321
Prime Sponsor(s): Rep. Swalm
 Sen. Morse

Date: January 27, 2011
Bill Status: House Economic and Business Development
Fiscal Analyst: Clare Pramuk (303-866-2677)

TITLE: CONCERNING AN EXEMPTION FROM STATE LICENSURE REQUIREMENTS FOR A COMMUNITY CLINIC THAT IS A FEDERALLY QUALIFIED HEALTH CENTER.

Fiscal Impact Summary	FY 2011-2012	FY 2012-2013
State Revenue		
Cash Funds		
Health Facilities General Licensure Fund	(\$33,288)	(\$33,288)
State Expenditures		
Cash Funds		
Health Facilities General Licensure Fund	(\$24,581)	(\$24,678)
FTE Position Change	(0.4 FTE)	(0.4 FTE)
Effective Date: August 10, 2011, if the General Assembly adjourns on May 11, 2011, as scheduled, and no referendum petition is filed.		
Appropriation Summary for FY 2011-2012: See State Appropriations section.		
Local Government Impact: None.		

Summary of Legislation

This bill exempts federally qualified health centers (FQHC) from state licensure, on-site inspections and construction plan reviews by the Colorado Department of Public Health and Environment (CDPHE). It clarifies that FQHCs continue to serve as general providers under the Colorado indigent care program.

State Revenue

The bill will result in a decrease of \$33,288 in both FY 2011-12 and FY 2012-13 from fees paid by FQHCs to the Health Facilities General Licensure Fund. Currently, 62 FQHCs pay an annual licensing fee of \$360 per center to the CDPHE. By exempting FQHCs from licensing, revenue is reduced by \$22,320. FQHCs pay a plan review fee of \$1,750 plus additional amounts per square foot for an average fee of \$1,828. CDPHE averages 6 reviews annually which equates to a reduction of \$10,968 per year.

State Expenditures

This bill is expected to reduce expenditures for the CDPHE by \$24,581 and 0.4 FTE in FY 2011-12, and \$24,678 and 0.4 FTE in FY 2012-13, from the Health Facilities General Licensure Fund. By exempting the FQHCs from state licensure, and inspection and review requirements, the CDPHE's workload will be reduced.

Table 1. Expenditure Reduction Under HB11-1101		
Cost Components	FY 2011-12	FY 2012-13
Personal Services	(\$24,207)	(\$24,302)
FTE	0.4	0.4
Operating Expenses	(374)	(376)
TOTAL	(\$24,581)	(\$24,678)

Expenditures Not Included

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. The centrally appropriated costs subject to this policy are summarized in Table 2.

Table 2. Expenditures Not Included Under HB11-1101*		
Cost Components	FY 2011-12	FY 2012-13
Employee Insurance (Health, Life, Dental, and Short-term Disability)	(\$2,833)	(\$2,843)
Supplemental Employee Retirement Payments	(1,095)	(1,296)
AED and SAED	(1,095)	(1,100)
Indirect Costs	(4,447)	(4,464)
TOTAL	(\$9,470)	(\$9,703)

*More information is available at: <http://colorado.gov/fiscalnotes>

State Appropriations

For FY 2011-12, the Department of Public Health and Environment requires a reduction of \$24,581 and 0.4 FTE from the Health Facilities General Licensure Fund.

Departments Contacted

Public Health and Environment

Health Care Policy and Financing