

Colorado Legislative Council Staff Fiscal Note
STATUTORY PUBLIC ENTITY
CONDITIONAL FISCAL IMPACT

Drafting Number: LLS 11-0611	Date: February 22, 2011
Prime Sponsor(s): Sen. Aguilar	Bill Status: Senate Business, Labor and Technology
Rep. Kefalas	Fiscal Analyst: Clare Pramuk (303-866-2677)

TITLE: CONCERNING THE CREATION OF THE COLORADO HEALTH CARE AUTHORITY FOR THE PURPOSE OF DESIGNING A HEALTH CARE COOPERATIVE.

Fiscal Impact Summary	FY 2011-2012	FY 2012-2013
State Revenue		
State Expenditures		
FTE Position Change		
Effective Date: Sections 10-16-1101 to 10-16-1106, 10-16-113, and 10-16-1115 are effective upon signature of the Governor, or upon becoming law without his signature. The remainder of the bill only takes effect if the board receives sufficient moneys by July 1, 2012. Otherwise, the bill is repealed.		
Appropriation Summary for FY 2011-2012: None required.		
Local Government Impact: None.		

Summary of Legislation

The bill creates the Colorado Health Care Authority, a statutory public entity governed by a 9-member board of directors. It is considered a political subdivision of the state, but is not an agency of state government or subject to direction by any state agency. The mission of the authority is to design the Colorado Health Care Cooperative to be the benefits administrator and payer for health care services. The authority is to recommend the health care cooperative design to the General Assembly. If the General Assembly approves the design, they must then refer the measure to the voters for approval.

Subject to receipt of sufficient gifts, grants, and donations, the board is to employ a primary consulting contractor to prepare the report to the General Assembly. The board may hire an administrator and contract with other staff as needed. In designing the cooperative, the board is to collaborate with stakeholders, the Department of Public Health and Environment, and the Department of Health Care Policy and Financing. The board is directed to make recommendations that include the following elements for the cooperative:

- design of a benefits package and systems capable of providing payments to health care providers;
- a financing recommendation based on projected costs and each possible federal waiver;
- plans for dealing with budget shortfalls;

- guidelines for electing the cooperative governing board;
- standards for a confidential electronic records system; and
- methods for incorporating medical portions of liability insurance, workers' compensation, and auto insurance.

The bill specifies that no moneys from the General Fund are to be used for implementing Senate Bill 11-168. In addition, if sufficient gifts, grants, and donations are not identified and guaranteed by July 1, 2012, the Colorado Health Care Authority Act is repealed.

Statutory Public Entity Revenue

The board will need to raise up to \$1.2 million from gifts, grants, and donations. No such funds have been identified at this time.

Statutory Public Entity Expenditures

When the board receives gifts, grants, or donations, they are transferred directly to the Colorado Health Care Authority for the purposes of SB 11-168. The fiscal note assumes that up to \$1.2 million may be transferred to the authority as described below.

The fiscal note assumes that contractor services for implementing the bill would be similar to services provided to the Blue Ribbon Commission on Health Care Reform (208 Commission) and would cost up to \$1.0 million. Other costs of the board may include: (1) meeting expenses of \$16,200 (9 members x \$100 for per diem and expenses x 18 meetings), and (2) contract services for an administrator and project staff of \$150,000. The fiscal note assumes that these costs (up to \$1.2 million) would be incurred over FY 2012-13 and FY 2013-14. Actual costs will depend upon available funding and decisions of the board.

Departments Contacted

Health Care Policy and Financing
Personnel and Administration
Revenue

Public Health and Environment
Regulatory Agencies