

**STATE
FISCAL IMPACT**

Drafting Number: LLS 13-0659
Prime Sponsor(s): Sen. Aguilar
 Rep. Schafer

Date: February 18, 2013
Bill Status: Senate Health and Human Services
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TITLE: CONCERNING THE DEVELOPMENT OF STANDARDIZED RULES FOR USE IN PROCESSING MEDICAL CLAIMS, AND, IN CONNECTION THEREWITH, EXTENDING THE DEADLINES FOR DEVELOPMENT AND IMPLEMENTATION OF THE STANDARDIZED RULES, AUTHORIZING AN APPROPRIATION OF STATE MONEYS TO HELP FUND THE DEVELOPMENT OF THE RULES, AND MAKING AN APPROPRIATION.

Fiscal Impact Summary	FY 2013-2014	FY 2014-2015
State Revenue		
State Expenditures General Fund	\$100,000	
FTE Position Change		
Effective Date: Upon signature of the Governor, or upon becoming law without his signature.		
Appropriation Summary for FY 2013-2014: See State Appropriations section.		
Local Government Impact: None.		

Summary of Legislation

This bill extends, by one year, the deadlines for the development and implementation of uniform standardized payment rules and claim edits. The new deadlines are as follows:

- December 31, 2014 - the Medical Clean Claims Task Force must report its recommendations to the Department of Health Care Policy and Financing (HCPF) and the House and Senate Health Committees;
- January 1, 2016 - commercial health plans must implement uniform standardized payment rules and claim edits; and
- January 1, 2017- domestic, nonprofit health plans must implement uniform standardized payment rules and claim edits.

The bill specifies that the General Assembly may appropriate moneys to the HCPF to fund the work of the task force. The bill includes a General Fund appropriation of \$100,000.

Background

A health care provider submits a "clean claim" when all the information required by the payer is reported in the proper format and correctly coded. A clean claim facilitates timely payments to providers. The Medical Clean Claims Transparency and Uniformity Act was created by House Bill 10-1332. It required the executive director of HCPF to establish a task force of industry and government representatives to develop a uniform standardized set of payment rules and claim edits to be used by payers and health care providers in Colorado. The Colorado Medical Society Foundation serves as the custodian of funds for the task force and is authorized to solicit and collect monetary and in-kind gifts, grants, and donations to fund the task force.

State Expenditures

This bill is expected to increase General Fund expenditures by \$100,000 for FY 2013-14 to partially fund the Medical Clean Claims Task Force. The budget for the task force is \$137,425 for FY 2013-14 and \$104,925 for FY 2014-15 for project management, administration, legal services, and data analytics software. The task force will seek gifts, grants, or donations for the remainder of its costs.

State Appropriations

The Department of Health Care Policy and Financing requires a General Funds appropriation of \$100,000 in FY 2013-14.

Departments Contacted

Health Care Policy and Financing
Public Health and Environment

Personnel and Administration
Regulatory Agencies