

**UPDATED SUMMARY
HOUSE BILL 15-1389**

First Regular Session - Seventieth Colorado General Assembly

This summary applies to the reengrossed version of this bill as introduced in the second house. It does not reflect any amendments that may be subsequently adopted. This summary reflects only the main points of the legislation.

The bill creates the health care affordability enterprise (enterprise) as a **type 2** agency and government-owned business within the department of health care policy and financing (HCPF) for the purpose of charging and collecting a new hospital provider fee that replaces the existing hospital provider fee and participating in the implementation and administration of the state hospital provider fee program (program) created by the "Health Care Affordability Act of 2009" on and after July 1, 2016. The bill does not take effect if the federal centers for medicare and medicaid services determine that it does not comply with federal law. The enterprise is designated as an enterprise for purposes of the taxpayer's bill of rights (TABOR) so long as it meets TABOR requirements. The primary powers and duties of the enterprise are to:

- ! Charge and collect a new hospital provider fee;
- ! Leverage new hospital provider fee revenue collected to obtain federal matching money, working with or through HCPF and the state medical services board to the extent required by federal law or otherwise necessary; and
- ! Expend money from a newly created new hospital provider fee cash fund for the purposes of the program;
- ! Issue revenue bonds payable from its revenues;
- ! Enter into agreements with HCPF as necessary to collect and expend new hospital provider fee revenue;
- ! Engage the services of private consultants and legal counsel; and
- ! Adopt and amend or repeal policies for the regulation of its affairs and the conduct of its business.

The powers, duties, and functions of the existing hospital provider fee oversight and advisory board (advisory board) are transferred, by a **type 3** transfer, to the enterprise on July 1, 2016, and the advisory board is abolished. The current members of the advisory board continue to serve as members of the enterprise board, and future enterprise board appointments are done in the same way as current advisory board appointments.

The bill specifies that unlike hospital provider fees charged and collected by HCPF before July 1, 2016, so long as the enterprise qualifies as a TABOR-exempt enterprise, new hospital provider fee revenue does not count against either the TABOR state fiscal year spending limit or the referendum C cap, the higher statutory state fiscal year spending limit established after the voters of the state approved referendum C in 2005. The bill clarifies that termination of the authority of HCPF to charge and collect hospital provider fees and creation of a new enterprise to charge and collect a new hospital provider fee does not constitute

qualification of an enterprise for purposes of TABOR or state law and therefore does not require or authorize downward adjustment of the TABOR fiscal year spending limit or the referendum C cap.

Italicized words indicate new material added to the original summary; dashes through words indicate deletions from the original summary.
Prepared by the Office of Legislative Legal Services.