



**STATE
REVISED FISCAL IMPACT**

(Replaces fiscal impact dated April 20, 2006)

Drafting Number: LLS 06-0891	Date: May 3, 2006
Prime Sponsor(s): Sen. Shaffer	Bill Status: Consideration of Amendments
Rep. McGihon	Fiscal Analyst: Amy Larsen (303-866-3488)

TITLE: CONCERNING THE CREATION OF THE HEALTH CARE REFORM COMMITTEE FOR THE PURPOSE OF STUDYING HEALTH CARE REFORM ISSUES, AND MAKING TRANSFERS OF FUNDS THEREFOR.

Fiscal Impact Summary	FY 2005/06	FY 2006/07	FY 2007/08
State Revenues		Potential Gifts, Grants & Donations	
Cash Funds Exempt - Health Care Reform Cash Fund	\$100,000		
State Expenditures			
General Fund			
- Department of Health Care Policy and Financing	(\$100,000)		
- Health Care Reform Cash Fund	100,000		
Cash Funds Exempt - Health Care Reform Cash Fund		\$50,000	
Federal Funds	(100,000)		
FTE Position Change		0.0 FTE	0.0 FTE
Effective Date: Upon signature of the Governor			
Appropriation Summary for FY 2006/07: See State Appropriations section of the fiscal note.			
Local Government Impact: None			

Summary of Legislation

The **revised** bill establishes the Blue Ribbon Commission for Health Care Reform for the purpose of studying and establishing health care reform models to expand health care coverage and to decrease health care costs. The 24-member commission includes members representing consumers, health insurance purchasers, experts, and business leaders. The commission is to review specific proposals, select the top 3 to 5 proposals for detailed analysis, hold informational meetings throughout the state, and present a final report to the General Assembly by November 30, 2007. The commission is administered by a nonpartisan project administrator appointed by both the Speaker of the House of Representatives and the President of the Senate.

The bill also outlines funding for the commission from the General Fund and gifts, grants and donations. The General Fund money is made available by reducing the FY 2005-06 appropriation to the Department of Health Care Policy and Financing.

State Revenues and Expenditures

The bill specifies that \$100,000 from the General Fund shall become part of the newly created Health Care Reform Cash Fund on June 30, 2006. This money is from a reduction in funding for the Department of Health Care Policy and Financing which also reduces federal matching funds by \$100,000 in the current fiscal year.

On July 1, 2006, \$50,000 is to be appropriated to the commission, and should the commission receive at least \$50,000 in gifts, grants, and donations, an additional \$50,000 must be appropriated to the commission. At this time, no gifts, grants, or donations are identified. Thus, for FY 2006-07 the fiscal note indicates a state fiscal impact of \$50,000, and a conditional impact of \$50,000 should \$50,000 in donations be realized.

The initial \$50,000 enables the commission to contract for a project administrator, begin fund-raising, and reimburse member per diem for meetings. Additional funding is required to fulfill the bill's requirements including holding meetings throughout the state and completing an independent technical analysis of each proposal.

State Appropriations

For FY 2005-06, the fiscal note indicates the following appropriations:

- Health Care Reform Cash Fund - \$100,000 from the General Fund; and
- Department of Health Care Policy and Financing - (\$100,000) from the General Fund and (\$100,000) from federal funds.

For FY 2006-07, the fiscal note indicates that the Commission for Health Care Reform should receive an appropriation of \$50,000 from the Health Care Reform Cash Fund. Should \$50,000 be received from gifts, grants, and donations, an additional appropriation of \$100,000 from the Health Care Reform Cash Fund would be required (\$50,000 in gifts, grants, and donations, and \$50,000 in General Fund money previously appropriated to the Health Care Reform Cash Fund).

Departments Contacted

Legislative Council
Regulatory Agencies

Office of Legislative Legal Services
Health Care Policy and Financing