

## Colorado Legislative Council Staff Fiscal Note


**STATE  
FISCAL IMPACT**

<b>Drafting Number:</b> LLS 14-0632	<b>Date:</b> April 16, 2014
<b>Prime Sponsor(s):</b> Sen. Aguilar; Roberts Rep. Stephens; Schafer	<b>Bill Status:</b> Senate Health & Human Services <b>Fiscal Analyst:</b> Lauren Schreier (303-866-3523)

**SHORT TITLE:** COLORADO COMMISSION AFFORDABLE HEALTH CARE

Fiscal Impact Summary*	FY 2014-2015	FY 2015-2016
<b>State Revenue</b>		
<b>State Expenditures</b>	<b>\$400,000</b>	<b>\$103,591</b>
General Fund	\$388,239	\$91,134
Centrally Appropriated Costs**	\$11,761	\$12,457
<b>FTE Position Change</b>	1.2 FTE	1.2 FTE
<b>Appropriation Required:</b> \$400,000 - Multiple Agencies (FY 2014-15)		

\* This summary shows changes from current law under the bill for each fiscal year.

\*\* These costs are not included in the bill's appropriation. See the State Expenditures section for more information.

### Summary of Legislation

The bill establishes the Colorado Commission on Affordable Health Care. The commission will study the drivers of health care costs and evidence-based cost containment strategies, and make recommendations for action. The commission will use state data to conduct empirical analysis of health care utilization in the state. The commission will have 12 voting members, representing various public and private sector health care experts and 5 nonvoting members from state government. Under this bill, the commission will review previous reports and studies, including the report from the former Blue Ribbon Commission for Health Care Reform. The commission will also create small advisory committees to study specific areas, and coordinate with other Colorado entities studying health care costs as appropriate.

The Office of Legislative Legal Services (OLLS) will provide staff support to the commission, as required. The commission must provide two annual reports to the General Assembly in FY 2014-15 and FY 2015-16 and a final report by June 30, 2016. Legislative committees and the Governor will consider the commission's recommendations for future legislation and regulatory action. The bill creates the Colorado Commission on Affordable Health Care Cash Fund and in FY 2014-15 appropriates \$400,000 to the fund. The commission repeals on July 1, 2017.

### Background

Senate Bill 06-208 created the Blue Ribbon Commission for Health Care Reform. The commission studied health care reform models to expand health care coverage and decrease health care costs. This commission brought together health experts from the public and private sectors and submitted a final report to the General Assembly on November 30, 2007.

**State Expenditures**

The bill increases General Fund expenditures by \$400,000 and 1.2 FTE in FY 2014-15 and \$103,591 and 1.2 FTE in FY 2015-16. In FY 2014-15, this amount will be used to fund commission activities, and the cover the costs in the Office of Legislative Legal Services. These costs will run through FY 2016-17.

<b>Table 1. Expenditures Under SB 14-187*</b>		
<b>Cost Components</b>	<b>FY 2014-15</b>	<b>FY 2015-16</b>
Personal Services	\$90,397	\$89,994
FTE	1.2 FTE	1.2 FTE
Centrally Appropriated Costs*	\$11,761	\$12,457
Operating Expenses and Capital Outlay Costs	\$6,784	\$1,140
Appropriation to the Colorado Commission on Affordable Health Care Cash Fund	\$291,058	
<b>TOTAL</b>	<b>\$400,000</b>	<b>\$103,591</b>

\* Centrally appropriated costs are not included in the bill's appropriation.

**Assumptions.** This fiscal note assumes that the OLLS will provide staff support to the commission and the commission and advisory committees will meet at least 24 times a year.

**Colorado Commission on Affordable Health Care.** The bill requires \$400,000 be appropriated to the commission's cash fund, which is continuously appropriated to the commission. This appropriation is assumed to be from the General Fund. To fulfill its duties, the commission may use these funds to purchase access to databases in order to perform empirical analyses. The commission may also purchase contract services from health care experts or organizations. Voting members may require reimbursement for travel expenses related to fulfilling their duties on the commission.

**Office of Legislative Legal Services.** The bill requires the OLLS to provide staff support to the commission. This will likely involve more technical support such as crafting policy recommendations and drafting potential legislation.

**Centrally appropriated costs.** 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 estimated in the fiscal note for informational purposes and summarized in Table 2.

<b>Table 2. Centrally Appropriated Costs Under SB 14-187*</b>		
<b>Cost Components</b>	<b>FY 2014-15</b>	<b>FY 2015-16</b>
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$5,483	\$5,482
Supplemental Employee Retirement Payments	\$6,278	\$6,975
<b>TOTAL</b>	<b>\$11,761</b>	<b>\$12,457</b>

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

**Effective Date**

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

**Technical Defect**

The bill creates the Colorado Commission on Affordable Health Care Cash Fund and requires an appropriation of \$400,000 to the fund. The bill also specifies the OLLS will provide staff support to the committee. Traditionally, the OLLS staff are paid using funds appropriated to the Legislative Department. This may require a clarifying amendment to the bill.

**State Appropriations**

The bill the following appropriations in FY 2014-15:

- \$400,000 from the General Fund to the Colorado Commission on Affordable Health Care Cash Fund; and
- Of that amount, \$108,942 and 1.2 FTE must be reappropriated from the cash fund to the Office of Legislative Legal Services.

Moneys in the cash fund are continuously appropriated to the commission.

**State and Local Government Contacts**

Regulatory Agencies  
Human Services  
Legislative Legal Services

Public Health and Environment  
Healthcare Policy and Financing