Health & Healthcare
2016 Legislative Session

Fort Collins Chamber of Commerce

Health Care In Your Future Summit

March 29, 2016

Jeff Thompson, Vice President

Government & Corporate Relations

Legislative Update - 2016

2nd Session 70th General Assembly

- **Convened January 13, 2016 for 120 Days**
  - **77th Legislative Day / 43 Days Remaining**
- **Adjourn on May 11, 2016**

Under the Gold Dome:

- **John Hickenlooper, Governor – Dem 2nd term**
- **State Senate – President Bill Cadman** (R - El Paso)
  - **One vote majority for GOP – 18-17**
- **State House of Representatives –**
  Speaker Dickey Lee Hullinghorst (D - Boulder)
  - **Three vote majority for Dems – 34-31**

Key Health & Healthcare Issues 2016

- **Hospital Provider Fee (Enterprise)**

- **Expanding Medicaid Demands – Budget Pressures**

- **Telehealth**

- **Mental & Behavioral Health**

- **Healthcare Cost Transparency**

- **Health Professions' Scope of Practice**

- **Affordable Care Act – Ongoing Implementation**

Hospital Provider Fee: Basics

- Adopted 2009 (HB 1293)

- Funding mechanism – Federal Medicaid funds matched to fees submitted by each CO hospital

- Formula based on Medicaid inpatients & charity care

- Total funds redistributed to hospitals, with more funds allocated to those hospitals providing a greater share of Medicaid and charity care

UCHealth

Hospital Provider Fee: Basics

- **Funds collected are $650M – $700M annually, with Federal match total is $1.2B – $1.4B**

- **Increases hospital Medicaid reimbursements from 54% to 72% of the cost of care**

- **Reduces costs for privately insured and employers by reducing the "cost shift"**

- **Extends healthcare coverage to 404,000 adults & children in CO (Medicaid expansion population)**

- **Supports hospital quality improvement programs – reducing complications, unscheduled readmissions and early elective deliveries**

UCHealth

Hospital Provider Fee: TABOR Issue

- Hospital "fee" portion is subject to the TABOR revenue caps ($650M – $700M/year)

- Revenue forecasts show TABOR revenue cap close to being breached 2016/17; exceeding TABOR cap in succeeding fiscal years

- Revenues over TABOR cap = Taxpayer refunds

- Results in lowering available General Funds for needed services/programs – K12 Education, Higher Ed, Transportation/Highways, Healthcare, etc. *(total projected cuts = $1.4 billion over 5 years)*

Hospital Provider Fee Enterprise: Fixing the TABOR Issue

- **"Enterprises"**
  - **Constitutionally permitted under TABOR**
  - **Defined:**
    - government owned "businesses"
    - deriving less than 10% revenues from taxes
    - authorized to issue own revenue bonds
  - **Can and have been be created by General Assembly; "fees" are not "taxes"**
- **Hospital Provider Fee Enterprise created by the Legislature is constitutionally permitted as affirmed by the State Attorney General, Cynthia Coffman (2.29.16); and supported by current and former chief counsels to GOP and Dem Governors**

Hospital Provider Fee: Fixing the TABOR Issue

✛ Hospital Provider Fee Enterprise

- ✛ **House Bill 16-1420 – Introduced 3/28/16 would create a Hospital Provider Fee Enterprise**

- ✛ **Introduced as a companion bill with the 2016/17 FY Budget "Long Bill"**

✛ UCHealth

HPF Enterprise: What it's all about

General Fund & State Funding Streams Subject to TABOR

Hospital Provider Fee

K-12 Education

Health & Human Services

Public Safety & Courts

Higher Education

Enterprises: State Funding Streams NOT Subject to TABOR

Hospital Provider Fee Enterprise

Colleges & Universities

Colorado Lottery

Bridge Funding

Parks & Wildlife

UCHealth

Legislative Updates - 2016

Active Senate Health & Healthcare Bills

- **SB 002** – *Submitting to the voters a ballot question regarding whether the Colorado Health Benefit Exchange can impose a tax to support its operations* – Sen. Lundberg (Passed HHS → Approp)

- **SB 027** – *Allowing the option for Medicaid clients to obtain prescribed drugs through the mail* – Sen. Martinez-Humenik (Passed HHS → Approp)

- **SB 069** – *Measures to provide community-based, out-of-hospital medical services* – Sen. Garcia (Bus Affairs & Labor to Appropriations)

- **SB 158** – *Concerning the ability of a physician assistant to perform functions delegated by a physician that are within the physician assistant's scope of practice* – Sen. Lundberg (Health & Human Services)

- **SB 169** – *Concerning changes related to the seventy-two-hour emergency mental health procedure* – Sen. Tate (Health & Human Services

Legislative Updates - 2016

Active House Health & Healthcare Bills

- **HB 1047** – *Adoption of an interstate compact to allow physicians to become licensed in multiple states through an expedited licensure process* – **Rep. Buck** (Passed Health, Ins & Environment →Finance)

- **HB 1101** – *Concerning medical decisions for unrepresented patients* – **Rep. Young** (Passed 2nd Reading House)

- **HB 1160** – *Concerning the continuation of the surgical assistant and surgical technologist registration program* – **Rep. Ginal** (Appropriations)

- **HB 1357** – *Implementation of the STEMI Task Force Recommendations* – **Rep. Primavera** (Public Health Care & Human Services)

- **HB 1374** – *Disclosure requirements applicable to a licensed community clinic providing emergency services to patients as a site that is not attached to a hospital* – **Rep. McCann** (Public Health Care & Human Services)

- **HB 14??** – *Hospital Provider Fee Enterprise* – **Rep. Hullinghorst**

Legislative Updates - 2016

"Killed" Senate Health & Healthcare Bills

- **SB 084** – *Colorado uniform recognition of "Substitute Health Care Decision-Making Documents Act"* – Sen. Garcia (PI'd in Judiciary)

"Killed" House Health & Healthcare Bills

- **HB 1015** – *Repeal of certain provisions of the "Colorado Health Care Coverage Act" contingent on repeal of comparable federal law provisions* – Rep. Klingenschmitt (PI'd in Committee)

- **HB 1054** – *Concerning end-of-life options for individuals with a terminal illness* – Reps. Court & Ginal (Laid over until 6/1/16, after session is over)

- **HB 1102** – *Drug manufacturers report production costs for certain high-cost Prescription Drugs* – Rep. Ginal (PI'd - Health, Ins & Environ)

State Budget

FY 2016-17 Budget: HB 16-1405 "The Long Bill"

- **Total Budget: $27 Billion**

Proposed Cuts to Healthcare

- **Hospital Provider Fee: ($73 million)**

- **End Primary Care Bump ($85 million)**

QUESTIONS?