

Schedule 13

Funding Request for the FY 2024-25 Budget Cycle

Health Care Policy and Financing

Request Title

S-12 HB 23-1215 Rollforward Authority

Dept. Approval By:

Erin Doherty

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Supplemental FY 2023-24

OSPB Approval By:

Adrian Leiter

Budget Amendment FY 2024-25

Summary Information	Fund	FY 2023-24		FY 2024-25		FY 2025-26	
		Initial Appropriation	Supplemental Request	Base Request	Budget Amendment	Continuation Request	
	Total	\$62,877,160	\$0	\$34,123,691	\$0	\$0	\$0
	FTE	0.0	0.0	0.0	0.0	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	\$13,811,567	\$0	\$12,477,539	\$0	\$0	\$0
	CF	\$16,155,462	\$0	\$2,665,692	\$0	\$0	\$0
	RF	\$81,000	\$0	\$81,000	\$0	\$0	\$0
	FF	\$32,829,131	\$0	\$18,899,460	\$0	\$0	\$0

Line Item Information	Fund	FY 2023-24		FY 2024-25	FY 2025-26	
		Initial Appropriation	Supplemental Request	Base Request	Budget Amendment	Continuation Request
	Total	\$62,877,160	\$0	\$34,123,691	\$0	\$0
01. Executive Director's Office, (A) General Administration, (1)	FTE	0.0	0.0	0.0	0.0	0.0
General Administration, General Professional Services and Special Projects	GF	\$13,811,567	\$0	\$12,477,539	\$0	\$0
	CF	\$16,155,462	\$0	\$2,665,692	\$0	\$0
	RF	\$81,000	\$0	\$81,000	\$0	\$0
	FF	\$32,829,131	\$0	\$18,899,460	\$0	\$0

Auxiliary Data	
Requires Legislation?	NO
Type of Request?	Health Care Policy and Financing Prioritized Request
	Interagency Approval or Related Schedule 13s: None



**Department Priority: S-12
 HB 23-1215 Rollforward Authority**

Summary of Funding Change for FY 2023-24			
		Incremental Change	
	FY 2023-24 Appropriation	FY 2023-24 Request	FY 2024-25 Request
Total Funds	\$62,877,160	\$0	\$0
FTE	0.0	0.0	0.0
General Fund	\$13,811,567	\$0	\$0
Cash Funds	\$16,155,462	\$0	\$0
Reappropriated Funds	\$81,000	\$0	\$0
Federal Funds	\$32,829,131	\$0	\$0

Summary of Request

The Department requests rollforward authority to successfully complete a report on the impact of hospital facility fees in Colorado required by HB 23-1215 “Limits on Hospital Facility Fees.” This request would directly support the Department’s FY 2023-24 Performance Plan by supporting the Department’s Pillar of Affordability Leadership and its equity efforts for members. To accomplish this, the Department requests one-time rollforward authority for FY 2023-24 funding approved under HB 23-1215. This would require no additional funding and represents no net change to the Department’s budget for FY 2023-24 and subsequent years.

Requires Legislation	Equity Impacts	Impacts Another Department?	Statutory Authority
No	Positive	NO	25.5-1-104 (4), C.R.S.

Current Program

The Department was appropriated \$516,950 by HB 23-1215 in FY 2023-24 for contractor resources to support the development of a comprehensive report detailing the impact of outpatient facility fees on the Colorado health care system, including the impact on consumers, employers, and providers. The bill also created a steering committee to guide the development of the report. The final report is due on October 1, 2024 to the House of Representatives Health and Insurance Committee and the Senate Health and Human Services Committee.

Problem or Opportunity

The Department has identified an opportunity to ensure it can successfully complete the report on hospital facility fees required by HB 23-1215 for no additional funding. While the total funding approved in HB 23-1215 is sufficient to complete the report, the bill did not extend spending authority into FY 2024-25, which the Department believes is necessary to ensure adequate support is available for finalizing the report during the months leading up to its due date of October 1, 2024.

Proposed Solution and Anticipated Outcomes

The Department requests FY 2023-24 rollforward authority on a portion of previously approved contractor funding under HB 23-1215 for creating a report on the impact of hospital facility fees in Colorado. If approved, this request would help the Department complete the report required by HB 23-1215 and it would ensure that previously approved spending authority is available in the most effective fiscal year to achieve this goal. This would ensure the Department can adequately support the development and finalization of the bill's required report on hospital facility fees in the months leading up to its due date of October 1, 2024.

The Department has executed contracts with the funding from HB 23-1215 and created detailed scopes of work that include steering committee meeting timelines and expected contractor deliverables. In planning these contracts, the Department has determined that contractor support would be required in FY 2024-25 to support the finalization of the report in the months leading up to its due date. Specifically, the Department is contracting with a vendor for report development that would help coordinate steering committee meetings, collect committee feedback, and draft written versions of the report for review and approval by the committee. The steering committee is expected to meet multiple times in FY 2024-25 before the report is

due and provide final reviews and feedback that the vendor will need to incorporate into the final version of the report. Additionally, the Department is contracting with a second vendor for actuarial analysis to provide multiple analyses required by the bill to help understand the financial and economic impact of facility fees on consumers, employers, and providers. It is expected that these analyses will continue into FY 2024-25 and that the vendor may need to respond to final feedback from the steering committee leading up to the report's due date.

Due to the complexity of the report and its condensed development timeline, the Department is uncertain of the exact amount of work that will be required during FY 2024-25 for each of the two contracts described above. Although the Department is planning out a timeline of deliverables for each contractor, there is a possibility that some deliverables currently planned for FY 2023-24 could be delayed into FY 2024-25 or otherwise be altered as the report is developed. Thus, the Department is requesting rollforward authority for the full contract amount for both contracts, allowing for flexibility in paying for deliverables as they are completed in either FY 2023-24 or FY 2024-25.

Anticipated Outcomes

If this request is approved, the Department anticipates that it would be better positioned to complete all elements of the required report on hospital facility fees under HB 23-1215 and ensure it is finalized in accordance with the steering committee's direction. The Department anticipates this request would provide the flexibility necessary to ensure that its vendors can support the steering committee up to the due date of the report and incorporate all final committee feedback and analysis into the report.

Department Performance Goals

If approved, this request would directly support the Department's performance goals as described in the FY 2023-24 Department Performance Plan.¹ Specifically, this request would support the Affordability Leadership pillar by ensuring the Department has appropriate rollforward spending authority available to successfully finalize its report on hospital facility fees in Colorado, which is intended to provide a foundation for understanding the impact of facility fees on consumers across Colorado and could potentially help inform policy decisions and reduce costs.

Consequences If Not Funded

If this request is not approved, then the Department would have inadequate spending authority in FY 2024-25 to ensure it can retain contractor services to support the development of the report required by HB 23-1215. Without adequate contractor support in FY 2024-25 during the months leading up to the report's due date, the final report may not fully incorporate all final steering committee feedback and may force the report to be finalized in FY 2023-24, before the steering committee has time to complete its final analyses and reviews.

¹ Colorado Department of Health Care Policy and Financing, *Fiscal Year 2023-24 HCPF Performance Plan*, July 1, 2023, <https://hcpf.colorado.gov/sites/hcpf/files/HCPF%20Department%20Performance%20Plan%20FY23-24.pdf>

Supporting Evidence and Evidence Continuum

The Department considers this a technical request to ensure that it can meet the objective outlined by the General Assembly in HB 23-1215. As such, the Department considers this request to not fall on the OSPB continuum of evidence and has not included the standard evidence continuum table.

Promoting Equitable Outcomes

If approved, this request would have a positive impact on the Department's equity efforts for its members and for all Colorado citizens. If this request is approved, it would ensure the Department has spending authority available in FY 2024-25 to successfully complete the report on hospital facility fees required by HB 23-1215. This report could provide a comprehensive foundation for understanding how hospital facility fees impact Colorado consumers differently and potentially provide insight into policy directions that help ensure equitable health care costs for all Colorado citizens.

Assumptions and Calculations

The Department has made several assumptions in calculating the costs associated with this request. Detailed calculations can be found in the tables of the attached appendix. Table 1 provides a summary of the request by line item and table 2 provides a summary of the request by initiative.

Table 3 provides a detailed breakout by fund source of the requested rollforward authority for funding approved under HB 23-1215 to develop the report on hospital facility fees. This funding is currently appropriated to the Department's General Professional Services and Special Projects line item in FY 2023-24 and the Department is requesting rollforward authority for this funding into FY 2024-25. The funding shown in Table 3 is not the full amount of funding approved by HB 23-1215, but only the amount of the two contracts for which the Department is assuming some costs will extend into FY 2024-25 and for which the Department is requesting rollforward authority. Besides these two contracts, the Department is executing at least two other contracts using funding from HB 23-1215, but these contracts are for one-time data set purchases that will be fully paid in FY 2023-24 and will not require rollforward authority.

Supplemental, 1331 Supplemental

This supplemental request is due to new data resulting in substantive changes in funding needs. Recently refined timelines and scope of work details have prompted the Department's request for the report on hospital facility fees required by HB 23-1215.

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Appendix A: Assumptions and Calculations

Table 1 Summary by Line Item FY 2023-24 and Ongoing									
Row	Line Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FFP Rate	Notes/Calculations
A	(1) Executive Director's Office; (A) General Administration; General Professional Services and Special Projects ¹	\$0	0.0	\$0	\$0	\$0	\$0	-	Table 2, Row A
B	Total Request	\$0	0.0	\$0	\$0	\$0	\$0	-	Row A

¹The Department requests rollforward authority for this line item. See Table 3 for requested rollforward amount.

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Appendix A: Assumptions and Calculations

Table 2 Summary by Initiative FY 2023-24 and Ongoing									
Row	Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FFP Rate	Notes/Calculations
A	Rollforward request for HB 23-1215 Limits on Hospital Facility Fees	\$0	0.0	\$0	\$0	\$0	\$0	-	See Table 3, Row C for requested rollforward amount
B	Total Request	\$0	0.0	\$0	\$0	\$0	\$0	-	Row A

¹The Department requests rollforward authority for this initiative. See Table 3 for requested rollforward amount.

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Appendix A: Assumptions and Calculations

Table 3								
HB 23-1215 Limits on Hospital Facility Fees								
FY 2023-24 Rollforward Request								
Row	Description	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FFP Rate	Notes/Calculations
A	Actuarial Analysis Contract	\$321,950	\$321,950	\$0	\$0	\$0	0.00%	Current contract amount
B	Report Development Contract	\$111,750	\$111,750	\$0	\$0	\$0	0.00%	Current contract amount
C	Total Rollforward Request	\$433,700	\$433,700	\$0	\$0	\$0	-	Sum of Rows A and B