FISCAL IMPACT: ⊠ State ⊠ Local ☐ Statutory Public Entity ☐ Conditional ☐ No Fiscal Impact

Drafting Number:	LLS 17-0482	**Date:**	June 5, 2017
Prime Sponsor(s):	Sen. Lundberg	**Bill Status:**	Signed into Law
	Rep. Lontine	**Fiscal Analyst:**	Bill Zepernick (303-866-4777)

BILL TOPIC: TRANSPARENCY IN DIRECT PAY HEALTH CARE PRICES

Fiscal Impact Summary	FY 2017-2018	FY 2018-2019
State Revenue		
State Expenditures	Potential increase.	
Appropriation Required: None.		
Future Year Impacts: Ongoing potential state expenditure increase.		

Summary of Legislation

This bill creates the Transparency in Health Care Price Act. The act requires certain health care professionals and health care facilities, as defined by the bill, to make a single document available to the public that lists the direct pay prices for the most common health care services provided. Health care professionals and facilities must update the document at least annually and provide the document electronically or post conspicuously on its website if one exists. The bill also mandates certain disclosures concerning the estimated nature of the prices listed for services and patient's financial responsibility if they are covered or not covered by insurance.

Solo practioners and providers in practices with six or fewer providers may comply with the bill by making the price document available in the patient waiting area. A health care provider who is a member of a professional corporation that contracts with a single health maintenance organization is not required to post a price list if the health maintenance organization does so on its website.

Under the bill, health care professionals and facilities are not required to submit their direct pay prices to any government agency for review, unless otherwise specified by existing law. The bill does not provide any agency with the authority to approve, disapprove, limit, or change the direct pay prices disclosed by health care professionals or facilities. The bill also prohibits any person, entity, or health insurer from penalizing a person who pays directly for health care services. The bill specifies that the price list cannot be used as the basis for rate setting for any public or private third party payer.

State Expenditures

The bill may increase state expenditures for some agencies beginning in FY 2017-18, as discussed below.

Department of Higher Education. The bill may increase costs for institutions of higher education that operate student health facilities and hospitals, including the University of Colorado Health System. It is assumed that the administrative expenses for these institutions to create price lists and post them on their website will be covered through available patient fees and insurer payments.

Department of Regulatory Agencies. The bill will increase workload in the Department of Regulatory Agencies by a minimal amount. The Division of Professions and Occupations will need to conduct outreach to educate regulated health care professionals about the new requirements. However, any workload increase is anticipated to be minimal and can be conducted within existing appropriations.

Local Government Impact

To the extent that local governments employ health care professionals and manage health care facilities, the bill may result in a minimal increase in costs and workload. Local governments may need to communicate changes under the bill to health care professionals and ensure that the direct pay prices are accessible to the public. However, this fiscal note assumes that this minimal workload increase can be conducted within existing resources.

Effective Date

The bill was signed into law by the Governor on April 6, 2017, and takes effect January 1, 2018, assuming no referendum petition is filed.

State and Local Government Contacts

Corrections	Counties
Health Care Policy and Financing	Higher Education
Human Services	Information Technology
Judicial	Personnel
Public Health and Environment	Regulatory Agencies
Sheriffs	