

Capitol Comments

LEGISLATIVE UPDATE



Colorado

We are going to focus in on Colorado this month. As of January 31st, 300 bills have already been introduced, and you probably have had some indigestion due to one or three of them.

A couple of bills of interest:

HB19-1089 Exemption from Garnishment for Medical Debt

[HB19-1089](#) was introduced in the Colorado House on January 14th and assigned to the House Finance Committee. It's first hearing was pushed back to February 4th. Representative Tipper (D-28), one of the bill's sponsors, is the vice-chair of the House Finance Committee. This doesn't necessarily mean this bill will easily pass out of committee, but it isn't the ideal situation for a bill this scary. So far the Colorado Rural Health Center is opposing the bill, and the Colorado Hospital Association is rumored to be heavily against this bill as well.

Summary of Bill: Exempts medical debt from earnings garnishment for an individual whose family income does not exceed 400% of the current federal poverty guidelines. The bill applies to judgments for medical debt entered on or after January 1, 2020. For 2019, 400% of the federal poverty guidelines ranges from \$48,560 for a household of one person, to \$100,400 for a household of four, and \$169,520 for a household of eight.

SB19-098 Cost-Based Reimbursement

[SB19-098](#) was introduced in the Colorado Senate on January 23rd and assigned to the Senate Finance and Senate Appropriation Committees. It's first hearing is set for February 12th. Senator Crowder (R-35) is the sole sponsor of the bill. At this point, most groups are monitoring the bill.

According to some CHA financial modeling, the introduced version of the bill would result in approximately a \$26 million reduction in reimbursement to rural hospitals. So, not good. Not good at all. It has to do with how CHASE fees (formerly known as Hospital Provider Fees) work. Currently, the hospitals receive an underpayment in FFS reimbursement and CHASE fees are set at a level above cost, with the hope of making up that difference. The bill would increase FFS reimbursement to 100% of actual cost and provide an additional amount based on performance. Sounds good in theory but financial modeling shows it results in a sizeable reduction in CHASE fees to rural hospitals, negatively impacting hospitals' bottom line.

Summary of Bill: The bill requires Colorado's program of medical assistance to pay rural critical access hospitals and sole community hospitals for outpatient hospital services pursuant to a cost-based reimbursement methodology using 100% of actual cost.

Contact your elected official and let them know what you think on these bills.

- [Colorado Legislative Members' Directory](#)

- Maps of the [Colorado House Districts](#) & the [Colorado Senate Districts](#)

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