



ASSOCIATED GOVERNMENTS
OF NORTHWEST COLORADO
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RESOLUTION

Colorado Hospital Provider Fee Reclassification as an Enterprise in the State Budget – Support for

WHEREAS HB09-1293, known as the “Health Care Affordability Act of 2009,” was passed by the Colorado General Assembly authorizing the Department of Health Care Policy and Financing to charge and collect a hospital provider fee; and

WHEREAS the General Assembly determined that:

- a) “Hospital providers within the state incur significant costs by providing uncompensated emergency department care and other uncompensated medical services to low-income and uninsured populations”; and

WHEREAS the General Assembly enacted as part of comprehensive health care reform measures intended to provide state services and benefits including:

- 1) “Providing a payer source for some low-income and uninsured populations who may otherwise be cared for in emergency departments and other settings in which uncompensated care is provided;
- 2) Reducing the underpayment to Colorado hospitals participating in publicly funded health insurance programs;
- 3) Reducing the number of persons in Colorado who are without health care benefits;
- 4) Reducing the need of health care providers to shift the cost of providing uncompensated care to other payers; and
- 5) Expanding access to high-quality, affordable health care for low-income and uninsured populations.”; and

WHEREAS commencing July 1, 2009, the state department began collecting hospital provider fees, “for the purpose of obtaining federal financial participation under the state medical assistance program” to be set aside in the Hospital Provider Fee Cash Fund; and

WHEREAS the hospital provider fee was established for the sole purpose of leveraging matching funds provided by the federal government without impact to Colorado’s general fund; and

WHEREAS the provider fee was established to supplement, not supplant, general fund appropriations to support hospital reimbursements; and

WHEREAS the collection of this fee has resulted in increased revenues in the State budget resulting in forced reductions to the severance tax fund, K-12 and higher education and transportation funding when TABOR refunds are triggered; and

WHEREAS the purpose of the hospital provider fee fits under the definition of an “enterprise” within the framework of the TABOR constitutional amendment, much like government operations of sewer and water operations which are exempt from TABOR calculations;

NOW THEREFORE BE IT RESOLVED that Associated Governments of Northwest Colorado (AGNC) supports the designation of the hospital provider fee as an enterprise for the purposes of Colorado budgeting;

BE IT FURTHER RESOLVED that AGNC strongly supports, upon the conversion of the hospital provider fee, the restoral of full transportation funding from the state’s general fund as provided for by the legislature as well as restoral of \$300 million taken from the Colorado severance tax funds since 2009 for balancing the budget;

BE IT FINALLY RESOLVED that AGNC restates its opposition to using severance tax funds as a funding source for balancing the state budget in bad times as well as good times.

Adopted unanimously on the 16th day of September, 2015.