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Colorado Commission on Higher Education asks state legislators to make the hospital provider fee an enterprise fund

DENVER – September 2, 2015: The Colorado Commission on Higher Education unanimously approved a resolution asking state legislators to change the Hospital Provider Fee to an enterprise fund.

The hospital provider fee is a fee assessed on hospitals, and can only be used for health related purposes – primarily drawing down federal grants that require matching funds from the state.

As a general rule, the state General Fund is comprised of funds used to meet the infrastructure and service needs of our state – education, health and human services, public safety, Medicaid, - while a fee has a designated use.

This change would recognize the hospital provider fee as a designated revenue stream situated in the same manner as other fees. Making this change to how the hospital provider fee is accounted for will provide the state with greater flexibility to continue to fund vital programs – such as higher education.

“As the economy continues to rebound after the Great Recession, our ability to reinvest in programs and services that were cut during those years is constrained by conflicting constitutional and statutory spending mandates and limitations. We need to think critically about our economic foundation and plan for the future - in many ways, higher education is that strategic answer,” said Monte Moses, Chairman, Colorado Commission on Higher Education. “Changing the hospital provider fee would be consistent with how other similarly structured fees are currently treated, and will allow our state to meet the needs of its citizens.”

All 11 commissioners approved the resolution, which reads in part: “[...] the Colorado Commission on Higher Education supports and endorses changing the Hospital Provider Fee to an Enterprise Fund as a means of increasing general fund availability in future years for state programs including higher education funding.”

“Coloradans from all over the state want legislators to invest in higher education and help meet our workforce needs, and legislators understand that value,” said John Anderson, Commissioner, Colorado Commission on Higher Education. “The problem is their hands are somewhat tied when it comes to the budget. This change will empower our legislators to be able to invest in programs that will help people get good paying jobs.”

The State Legislature convenes on Wednesday, January 13, 2016 when it could address the hospital provider fee change.

ATTACHED: CCHER resolution