

Colorado Legislative Council Staff Fiscal Note

STATE

CONDITIONAL FISCAL IMPACT

Drafting Number: LLS 10-1001
Prime Sponsor(s): Rep. Ferrandino
 Sen. Keller

Date: March 26, 2010
Bill Status: House Appropriations
Fiscal Analyst: Janis Baron (303-866-3523)

TITLE: CONCERNING MONEYS APPROPRIATED IN THE 2010-11 FISCAL YEAR FOR HEALTH CLINICS, AND MAKING APPROPRIATIONS THEREFOR.

| Fiscal Impact Summary | FY 2010-2011 | FY 2011-2012 |
|--|----------------|--------------|
| State Revenue | | |
| State Transfers or Diversion Transfer from the Primary Care Fund to the Primary Care Special Distribution Fund | (\$3,560,000) | |
| State Expenditures | | |
| General Fund | (\$12,800,000) | |
| Cash Funds Appropriations from the Primary Care Fund for: | | |
| Medical Services Premiums | 12,800,000 | |
| Health Care Services Fund for Denver Health and Hospitals and for Community Health Clinics | 11,940,000 | |
| Primary Care Fund Program | (28,300,000) | |
| Cash Funds Appropriation from the Primary Care Special Distribution Fund for the Colorado Indigent Care Program | 3,560,000 | |
| Federal Funds | 19,145,655 | |
| FTE Position Change | | |
| Effective Date: Upon signature of the Governor, or upon becoming law without his signature. | | |
| Appropriation Summary for FY 2010-2011: See State Appropriations section. | | |
| Local Government Impact: None. | | |

NOTE: Although not stated, the bill's passage is contingent upon the passage of SJR 10-010 which declares a state fiscal emergency pursuant to Section 21 (7) of the state constitution.

Summary of Legislation

This bill is recommended by the Joint Budget Committee and is part of its budget package for FY 2010-11. It authorizes the transfer and appropriations as identified in the table above. The Department of Health Care Policy and Financing is directed to develop a distribution formula to allocate moneys in the Health Care Services Fund to Denver Health and Hospitals and to community

health clinics. Additionally, the bill specifies how moneys in the Primary Care Special Distribution Fund are to be allocated between providers participating in the Colorado Indigent Care Program and providers who do not participate in the program. Appropriations clauses are included in the bill.

State Transfers and Diversions

The bill authorizes the transfer of \$3,560,000 from the Primary Care Fund to the Primary Care Special Distribution Fund.

State Expenditures

The bill reduces General Fund by \$12.8 million and increases federal funds by \$19.1 million for a net fiscal impact of \$6.3 million.

Although there are multiple cash funds appropriations from the Primary Care Fund in addition to a transfer from that fund, the net cash funds impact of the bill is zero. Under current law, the Primary Care Fund receives moneys from the Tobacco Tax Cash Fund pursuant to the Tobacco Master Settlement Agreement. Moneys in the fund support the Primary Care Fund Program, including community health clinics. By appropriating \$11.9 million from the Primary Care Fund to the Health Care Services Fund, the state is able to draw down \$19.1 million in matching federal funds. This action is allowable due to a recently approved state plan amendment to the state's Medicaid program. Combined, these moneys will support services provided at Denver Health and Hospitals and the community health clinics; \$6.3 million more than they would have received under current law.

State Appropriations

The bill concerns the appropriation of funds. To that end, it includes the necessary appropriations for FY 2010-11 as identified in the state expenditures row of the fiscal impact summary table on page 1. However, without the passage of SJR 10-010, the authorized appropriations cannot be enacted.

Departments Contacted

Health Care Policy and Financing

Legislature - Joint Budget Committee Staff