

**STATE
FISCAL IMPACT**

Drafting Number: LLS 12-0566

Date: January 17, 2012

Prime Sponsor(s): Rep. Fields

Bill Status: House Health and Environment

Fiscal Analyst: Kerry White (303-866-3469)

TITLE: CONCERNING SIMPLIFICATION OF THE PROCUREMENT PROCESS FOR PROVIDERS WHO HAVE PREVIOUSLY BEEN APPROVED TO PARTICIPATE IN HEALTH CARE PROGRAMS ADMINISTERED BY THE DEPARTMENT OF HEALTH CARE POLICY AND FINANCING.

Fiscal Impact Summary	FY 2012-2013	FY 2013-2014
State Revenue		
State Expenditures	Reduction — see State Expenditures section.	
FTE Position Change		
Effective Date: Upon signature of the Governor, or upon becoming law without his signature.		
Appropriation Summary for FY 2012-2013: None.		
Local Government Impact: None.		

Summary of Legislation

This bill allows the Department of Health Care Policy and Financing (DHCPF) to issue rules to simplify the procurement process for programs over which it has regulatory authority, including Medicaid, the Children's Health Plan Plus (CHP+), and the Colorado Indigent Care Program (CICP), among others. Under the bill, a provider that has already completed a department-approved application will no longer be required to complete a secondary provider agreement and state contract for the sole purpose of complying with state fiscal rules.

State Expenditures

Overall, this bill will reduce workload within the DHCPF by reducing the amount of paperwork required to complete procurements. A total of 60 contracts with CICP providers, 70 contracts with School Health Services providers, and 1,500 CHP+ State Managed Care Network provider agreements will be eliminated. As the majority of these are multi-year contracts or agreements, an average of 326 contracts or agreements would be eliminated each year. Given the short amount of time required by DHCPF procurement staff to process these documents, this analysis assumes the reduction in workload for the DHCPF will not require an adjustment in appropriations. The fiscal note also assumes that DHCPF can promulgate rules within existing appropriations.

Departments Contacted

Health Care Policy and Financing

Personnel