

Colorado Legislative Council Staff Fiscal Note

**STATE
REVISED FISCAL IMPACT**

(replaces fiscal note dated January 17, 2012)

Drafting Number: LLS 12-0566

Date: January 30, 2012

Prime Sponsor(s): Rep. Fields
Sen. Boyd

Bill Status: House Third Reading

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

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

Fiscal Impact Summary	FY 2012-2013	FY 2013-2014
State Revenue		
State Expenditures		
General Fund	\$419	\$419
Federal Funds	\$419	\$419
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 fiscal note is revised to quantify the reduction in staff time under the Department of Health Care Policy and Financing (DHCPF). This bill allows the 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

Beginning in FY 2012-13, this bill will reduce expenditures in the DHCPF by \$838 per year, shared equally between the General Fund and federal funds. 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 standardized nature of these contracts, each contract takes approximately

five minutes to process within the DHCPF. This analysis assumes a total of 27.5 hours at the hourly rate of \$30.47 will be saved, but that 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