

The department is required to collaborate with community-centered boards to develop a plan, no later than July 1, 2016, concerning the delivery of conflict-free case management services that complies with federal regulations. The department must also report on plan development and needed statutory changes to the Joint Budget Committee during the FY 2016-17 budget process.

For FY 2015-16, the bill includes an appropriation of \$3.0 million to the department, including \$1.5 million from the Intellectual and Developmental Disabilities Services Cash Fund and \$1.5 million federal funds. The bill provides for roll forward spending authority to the next fiscal year for any portion of the funds not expended in FY 2015-16.

State Expenditures

This bill increases state expenditures by \$1,881,801 and 2.8 FTE in FY 2015-16 and by \$1,134,787 and 3.0 FTE in FY 2016-17 in the Department of Health Care Policy and Financing. While costs are less than the amount appropriated for FY 2015-16, this analysis assumes that unexpended funds will roll forward to pay costs in FY 2016-17. Table 1 and the discussion that follows present the costs of the bill.

| Table 1. Expenditures Under HB15-1318. | | |
|---|---------------------------|---------------------------|
| Cost Components | FY 2015-16 | FY 2016-17 |
| Personal Services | \$178,638 | \$191,399 |
| FTE | 2.8 FTE | 3.0 FTE |
| Operating Expenses and Capital Outlay Costs | 16,769 | 2,850 |
| General Contracting | 400,000 | 400,000 |
| Computer Systems Changes | 750,000 | 250,000 |
| Financial Analysis | 500,000 | 250,000 |
| Centrally Appropriated Costs* | 36,394 | 40,538 |
| TOTAL | <u>\$1,881,801</u> | <u>\$1,134,787</u> |
| Cash Funds | 922,704 | 547,125 |
| Federal Funds | 922,703 | 547,124 |
| Centrally Appropriated Costs | 36,394 | 40,538 |

* Centrally appropriated costs are not included in the bill's appropriation.

Department of Health Care Policy and Financing. This analysis assumes that federal approval of the consolidated waiver will not occur until FY 2017-18 and that the existing waivers will continue through June 30, 2019, to allow time for client transition. Until FY 2017-18, estimated costs are shown for computer systems changes (\$1 million), financial analysis (\$500,00), and general contracting (\$800,000) to develop new payment methodologies, conduct caseload and utilization analysis, review administrative authority delegation and procedures, and prepare an analysis on conflict-free case management. These costs are split between FY 2015-16 and FY 2016-17.

In addition to contracting and financial analysis, a total of 3.0 FTE is required to assist in developing system capacity and a statewide provider network, to act as a resource specialist for the Colorado Medicaid Benefits Collaborative, and to serve as a HCBS rules and policy specialist to liaison between the contractors and the department. All positions are assumed to be a General Professional IV level. Standard one-time capital outlay costs and ongoing annual operating costs are shown. First-year costs are prorated to reflect the effective date of the bill.

Department of Public Health and Environment. If the consolidated waiver and resulting plan affect provider monitoring duties, costs or workload may be impacted. As of this writing, any such impact is anticipated to be minimal. This analysis assumes that if costs and workload increase or decrease significantly, adjustments in appropriations will be addressed through the annual budget process.

Centrally appropriated costs. Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. The centrally appropriated costs subject to this policy are estimated in the fiscal note for informational purposes and summarized in Table 2.

| Table 2. Centrally Appropriated Costs Under HB15-1318* | | |
|--|-------------------|-------------------|
| Cost Components | FY 2015-16 | FY 2016-17 |
| Employee Insurance (Health, Life, Dental, and Short-term Disability) | \$22,548 | \$24,159 |
| Supplemental Employee Retirement Payments | 13,846 | 16,379 |
| TOTAL | \$36,394 | \$40,538 |

*More information is available at: <http://colorado.gov/fiscalnotes>

Effective Date

The bill takes effect August 5, 2015, if the General Assembly adjourns on May 6, 2015, as scheduled, and no referendum petition is filed.

State Appropriations

For FY 2015-16, the bill includes the following appropriation to the Department of Health Care Policy and Financing:

- \$1.5 million from the Intellectual and Developmental Disabilities Services Cash Fund and
- \$1.5 million federal funds to the Department of Health Care Policy and Financing.

The department also requires an allocation of 2.8 FTE.

State and Local Government Contacts

Health Care Policy and Financing
Public Health and Environment

Joint Budget Committee Staff