

Colorado Legislative Council Staff Fiscal Note

**STATE
REVISED FISCAL IMPACT**

(replaces fiscal note dated April 14, 2015)

Drafting Number: LLS 15-0829	Date: April 23, 2015
Prime Sponsor(s): Rep. Young Sen. Grantham	Bill Status: House Second Reading
	Fiscal Analyst: Kerry White (303-866-3469)

BILL TOPIC: CONSOLIDATE INTELLECTUAL AND DEV DISAB WAIVERS

Fiscal Impact Summary*	FY 2015-2016	FY 2016-2017
State Revenue		
State Expenditures**	<u>\$1,188,491</u>	<u>\$988,204</u>
Cash Funds	394,245	394,102
Federal Funds	794,246	594,102
FTE Position Change	2.7 FTE	3.0 FTE
Appropriation Required: See State Appropriations section.		

* This summary shows changes from current law under the bill for each fiscal year.

** These costs include centrally appropriated costs as a result of the bill's appropriations clause.

Summary of Legislation

Recommended by the Joint Budget Committee and as amended by the House Appropriations Committee, this bill requires the Department of Health Care Policy and Financing to consolidate two Medicaid waiver programs for home- and community-based services (HCBS) for adults with intellectual and developmental disabilities. The consolidation is required to occur by July 1, 2016, or as soon as the department receives approval from the federal Centers for Medicare and Medicaid Services. The consolidated waiver must include, at a minimum, the following services:

- personal support, health maintenance, and homemaker services;
- a personal coach;
- respite services;
- home modifications;
- assistive technology;
- behavioral supports;
- transportation;
- community and personal engagement;
- transition services;
- dental services;
- health and wellness professional services;
- specialized medical equipment and supplies;
- vision services; and
- residential services.

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 \$788,347 from the Intellectual and Developmental Disabilities Services Cash Fund and \$1,388,348 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 \$1.2 million and 2.7 FTE in FY 2015-16 and by \$1 million 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*	\$209,732	\$231,936
FTE	2.7 FTE	3.0 FTE
Operating Expenses and Capital Outlay Costs	16,959	2,850
General Contracting	211,800	403,418
Computer Systems Changes	500,000	250,000
Financial Analysis	250,000	100,000
TOTAL	\$1,188,491	\$988,204
Cash Funds	394,245	394,102
Federal Funds	794,246	594,102

* This amount includes health insurance and supplemental retirement payments.

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 (\$750,000), financial analysis (\$350,000), and general contracting (\$615,218) 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.

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 appropriations to the Department of Health Care Policy and Financing:

- \$788,347 from the Intellectual and Developmental Disabilities Services Cash Fund; and
- \$1,388,348 federal funds.

The department is also allocated 2.7 FTE.

State and Local Government Contacts

Health Care Policy and Financing
Public Health and Environment

Joint Budget Committee Staff