


Colorado Legislative Council Staff Fiscal Note
STATE
FISCAL IMPACT

Drafting Number: LLS 09-1083
Prime Sponsor(s): Rep. Miklosi
 Sen. Foster

Date: April 22, 2009
Bill Status: House Health and Human Services
Fiscal Analyst: Amy Larsen (303-866-3488)

TITLE: CONCERNING LEGAL IMMIGRANTS' ELIGIBILITY FOR PUBLIC MEDICAL BENEFITS.

Fiscal Impact Summary	FY 2009-2010	FY 2010-2011
State Revenue		
State Expenditures		
<u>Total</u>	<u>\$0</u>	<u>\$540,753</u>
General Fund		(982,692)
Federal Funds		1,523,445
FTE Position Change		
Effective Date: July 1, 2010, unless a referendum petition is filed.		
Appropriation Summary for FY 2009-2010: None.		
Local Government Impact: None.		

Summary of Legislation

This bill authorizes the Department of Health Care Policy and Financing to provide medical benefits under Medicaid and the Children's Basic Health Plan (CBHP) to pregnant women and children who are legal immigrants without a waiting period, so long as other eligibility criteria is met. Under current law, legal immigrants are not eligible for Medicaid or CBHP for 5 years after the date of entry into the United States.

State Expenditures

For FY 2009-10, this bill is assessed at no fiscal impact due to the effective date of July 1, 2010.

Total state expenditures for the Department of Health Care Policy and Financing are expected to increase by \$540,753 in FY 2010-11 and by \$3.5 million in FY 2011-12. The fiscal note assumes that Medicaid and CBHP expansions, as allowed by the bill, will be implemented as soon as possible after HB09-1353 becomes law. Anticipated expenditures are shown in Table 1 and discussed below.

Table 1. Anticipated Expenditures for the Department of Health Care Policy and Financing Under HB09-1353			
Cost Components	FY 2010-11	FY 2011-12	FY 2012-13
Medicaid - Pregnant Women	\$204,809	\$267,923	\$336,345
<i>Caseload Increase/Per Capita Cost</i>	<i>5/\$9,678</i>	<i>10/\$10,091</i>	<i>15/\$15,522</i>
Medicaid - Children	\$0	\$1,575,080	\$3,282,540
<i>Caseload Increase/Per Capita Cost</i>		<i>769/\$2,048</i>	<i>1,537/\$2,136</i>
CBHP - Pregnant Women	\$0	\$578,450	\$1,206,242
<i>Caseload Increase/Per Capita Cost</i>		<i>49/\$11,805</i>	<i>98/\$12,308</i>
CBHP - Children	\$0	\$1,109,122	\$2,312,847
<i>Caseload Increase/Per Capita Cost</i>		<i>488/\$2,273</i>	<i>976/\$2,370</i>
Computer Systems	\$335,944	\$7,344	\$7,862
TOTAL	\$540,753	\$3,537,919	\$7,145,836
General Fund	(982,692)	(323,436)	507,372
Health Care Expansion Fund	0	590,650	1,231,681
Federal Funds	1,523,445	3,269,705	5,406,783

Caseload Estimates. Caseload increases shown in Table 1 are based on the estimated number of income eligible legal immigrants in Colorado reduced by a penetration rate of 60 percent and a 4-year phase-in period. Caseload increases begin in FY 2010-11 for pregnant women eligible for Medicaid. Implementation for other categories are expected in FY 2011-12 once computer system changes are complete.

Medicaid - Pregnant Women Funding. Under current law, legal immigrants who are ineligible for Medicaid are eligible for a state-only program funded entirely through the General Fund. Under HB09-1353, services for these women will be eligible for federal financial participation. Thus, 50 percent of the costs currently paid through the General Fund will shift to federal funds.

Computer Systems. Both the Colorado Benefits Management System (CBMS) and the Medicaid Management Information System (MMIS) require programming to facilitate the eligibility expansions allowed by the bill. One-time costs of \$100,828 are required to design, develop and test required changes to the CBMS. Minimal ongoing costs are also included for client correspondence and software maintenance. These costs are shared with the Department of Human Services based on the federally-approved cost allocation tool. In addition, one-time costs of \$235,116 are required for changes to the MMIS.

Health Care Expansion Fund. The Health Care Expansion Fund receives 46 percent of the tobacco tax revenue resulting from Amendment 35. The fund is used to finance a number of expansions in Medicaid and the CBHP, including CBHP enrollment increases above the average enrollment for FY 2003-04. However, the fund is expected to be insolvent beginning in FY 2012-13. Thus, when HB09-1353 is fully implemented, another state funding source may be required in lieu of the Health Care Expansion Fund.

Departments Contacted

Health Care Policy and Financing