

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING A HOSPITAL PROVIDER FEE, AND, IN CONNECTION THEREWITH, AUTHORIZING THE DEPARTMENT OF HEALTH CARE POLICY AND FINANCING TO CHARGE AND COLLECT A HOSPITAL PROVIDER FEE AND SPECIFYING THE ALLOWABLE USES OF THE FEES.

Prime Sponsors: Reps. Riesberg and Ferrandino
Senator Keller

JBC Analyst: Melodie Beck
Phone: 303-866-2061
Date Prepared: March 19, 2009

Summary of Amendments Made to the Bill After the 03/18/09 Legislative Council Staff Revised Fiscal Note Was Prepared

None.

JBC Staff Concurrence with Legislative Council Staff Fiscal Note

Concurs **Does Not Concur** **Updated Analysis**

Staff has based the appropriation clause on the Legislative Council Staff Revised Fiscal Note dated March 18, 2009. However, staff has made a few technical adjustments to account for a higher federal match on one category of expenditure and to properly appropriate the Colorado Benefit Management System costs between the Department of Human Services and the Department of Health Care Policy. These are *not* substantive changes, and overall staff's appropriation clause is consistent with the Legislative Council Staff analysis.

Amendments/Appropriation Status

The bill requires but does not contain an appropriation clause. Staff has prepared amendment **J.002** (attached) to add the necessary appropriation clauses with conditional effective dates based on the timing of federal approval of the waiver.

1. The appropriations contained in Section 11 assume that the federal waiver is approved by April 2010 and appropriates \$411.4 million total funds and 12.0 FTE in FY 2009-10. None of the costs in this appropriation are from the General Fund. This amount is consistent with the costs identified in the Legislative Council Staff Revised Fiscal Note dated March 18, 2009.
2. In the event that the federal waiver is not received by May 1, 2010, the Department will have incurred administrative expenses associated with applying for the waiver and preparing for the expansions of the Medicaid and Children's Basic Health Plan programs. The

appropriations contained in Section 12 assume the federal waiver is *not* approved by April 2010 and appropriates \$5,481,732 total funds and 12.0 FTE in FY 2009-10. Of the amount appropriated in Section 12, \$1,969,368 is from the General Fund. Again, this amount is consistent with the costs identified in the Legislative Council Staff Revised Fiscal Note dated March 18, 2009.

Table 1 below summarizes the FY 2009-10 appropriations to the Department of Health Care Policy and Financing contained in Section 11. Section 11 assumes federal waiver is approved by April 30, 2010.

Table 1. Amendment J.002 Appropriation Clause Provisions -- Section 11 Appropriation Impact if Federal Approval of the Waiver is Received by April 30, 2009					
FY 2009-10 Health Care Policy and Financing	FTE	Cash Funds	Re-App. Funds	Federal Funds	Total Funds
Executive Director's Office	12.0	\$2,568,898	\$0	\$4,389,420	\$6,958,318
Medical Services Premiums	0.0	163,585,730	0	163,585,730	327,171,460
Medicaid Mental Health Community Programs	0.0	1,672,555	0	1,672,555	3,345,110
Indigent Care Program, Safety Net Provider Payments	0.0	26,096,467	0	26,096,467	52,192,934
Indigent Care Program, Children's Basic Health Plan Administration	0.0	3,430	0	6,370	9,800
Indigent Care Program, Children's Basic Health Plan Premium Costs	0.0	7,175,491	0	13,123,150	20,298,641
Indigent Care Program, Children's Basic Health Plan Dental Costs	0.0	355,887	0	660,933	1,016,820
Department of Human Services Medicaid-Funded Programs, Office of Information Technology Services - Medicaid Funding, Colorado Benefits Management System	<u>0.0</u>	<u>79,612</u>	<u>0</u>	<u>79,391</u>	<u>159,003</u>
Subtotal HCPF	12.0	\$201,538,070	\$0	\$209,614,016	\$411,152,086
FY 2009-10 Department of Human Services					
Office of Information Technology Services, Colorado Benefits Management System	<u>0.0</u>	<u>\$117,065</u>	<u>\$159,003</u>	<u>\$139,029</u>	<u>\$415,097</u>
TOTAL FY 2009-10 Appropriation	12.0	\$201,655,135	\$159,003	\$209,753,045	\$411,567,183

Table 2 below summarizes the FY 2009-10 appropriations to the Department of Health Care Policy and Financing contained in Section 12. Section 12 assumes the federal waiver is *not* approved by April 30, 2010.

Table 2. Amendment J.002 Appropriation Clause Provisions -- Section 12 Appropriation Impact if Federal Approval of the Waiver is <i>NOT</i> Received by April 30, 2009					
FY 2009-10 Health Care Policy and Financing	FTE	General Fund	Re-App. Funds	Federal Funds	Total Funds
Executive Director's Office	12.0	\$1,815,723	\$0	\$3,341,727	\$5,157,450
Department of Human Services Medicaid-Funded Programs, Office of Information Technology Services - Medicaid Funding, Colorado Benefits Management System	0.0	61,614	0	61,614	123,228
Subtotal HCPF	12.0	\$1,877,337	\$0	\$3,403,341	\$5,280,678
FY 2009-10 Department of Human Services					
Office of Information Technology Services, Colorado Benefits Management System	0.0	\$92,031	\$123,228	\$109,023	\$324,282
TOTAL FY 2009-10 Appropriation	12.0	\$1,969,368	\$123,228	\$3,512,364	\$5,604,960

Bill Sponsor Amendments

Sponsor amendment **L.019** (attached) makes the following changes to the Health and Human Services Committee Report dated March 13, 2009:

- ✓ changes the number of members on the Hospital Provider Fee Oversight and Advisory Board from twelve members to thirteen members;
- ✓ increases the number of hospital representatives from four members to five members; and
- ✓ eliminates the requirement that the chair of the advisory board only vote to break a tie.

These amendments do *not* change the fiscal impact delineated in the Legislative Council Staff Fiscal Note dated March 18, 2009.

Points to Consider

The general appropriations bill for FY 2009-10 has not yet been introduced. If the federal waiver for the hospital provider fee is not approved by April 1, 2010, this bill would appropriate \$1,969,368 General Fund for FY 2009-10. If this bill is enacted, other General Fund may need to be reduced in order to balance the State budget.