

**REVISED CONDITIONAL FISCAL IMPACT**

(Replaces fiscal note dated March 20, 2007)

**Drafting Number:** LLS 07-0630

**Date:** April 19, 2007

**Prime Sponsor(s):** Sen. Boyd  
Rep. Carroll M.

**Bill Status:** House Health and Human Services

**Fiscal Analyst:** David Porter (303-866-4375)

**TITLE:** CONCERNING MEDICAL HOMES FOR CHILDREN, AND MAKING AN APPROPRIATION THEREFOR.

<b>Fiscal Impact Summary</b>	<b>FY 2007-2008</b>	<b>FY 2008-2009</b>
<b>State Revenue</b>	\$ 0	\$ 0
<b>State Expenditures</b>		
Total	\$ 118,128	\$ 58,723
General Fund	44,965	29,362
Federal Funds	73,163	29,361
<b>FTE Position Change</b>	1.0 FTE	1.0 FTE
<b>Effective Date:</b> Upon HB07-1021 becoming law with sufficient savings indicated in the final fiscal estimate to fund this bill.		
<b>Appropriation Summary for FY 2007-2008:</b> See State Appropriations section.		

**Summary of Legislation**

This **reengrossed** bill defines a medical home as a qualified medical specialty, developmental, therapeutic, or mental health care practice that ensures access to and coordination of all medically-related services to a child and his or her family. Included in the services are the following:

- health maintenance and preventative care;
- health education;
- chronic illness care;
- coordination of medications, specialists, and therapies;
- provider participation in hospital care; and
- 24-hour telephone care.

The bill requires the Department of Health Care Policy and Financing (CDHCPF) and the Department of Public Health and Environment (CDPHE) to work together to develop systems to maximize the number of children in Medicaid and the Children’s Basic Health Plan who have a medical home. The CDHCPF will report progress towards increasing the number of children with a medical home to the Health and Human Services Committees of the General Assembly.

**State Expenditures**

This bill requires total state expenditures of \$118,128 and 1.0 FTE in FY 2007-08 and \$58,723 and 1.0 FTE in FY 2008-09. This bill is conditional upon passage of HB07-1021 with sufficient savings indicated in the fiscal impact statement to fund the costs of this bill. The most recent fiscal note for HB07-1021, dated January 9, 2007, indicates a General Fund savings of \$276,878. All expenditures are incurred within the CDHCPF. Table 1 and the narrative that follows address the bill's costs in detail.

<b>Table 1. Total Costs Under SB07-130</b>		
	<b>FY 2007-08</b>	<b>FY 2008-09</b>
Personal Services	\$ 57,773	\$ 57,773
<i>Statistical Analyst II</i>	1.0	1.0
Operating Expenses/Capital Outlay	3,955	950
Medicaid Management Information Systems Costs	56,400	0
<b>Bill Total</b>	<b>\$ <u>118,128</u></b>	<b>\$ <u>58,723</u></b>
<b>General Fund</b>	<b>\$ 44,965</b>	<b>\$ 29,362</b>
<b>Federal Funds</b>	<b>\$ 73,163</b>	<b>\$ 29,361</b>

The CDPHE currently provides marketing and outreach through the Colorado medical home initiative. Both departments will work together to improve the existing program's effectiveness. To meet the reporting requirements and to measure medical home effectiveness, the CDHCPF will need to develop standards and make systems changes. Costs to meet these requirements include personal services and modifications to the Medicaid Management Information System (MMIS).

**Personal Services.** To develop standards and develop measurement systems, the department will require 1.0 FTE Statistical Analyst II with standard operating and capital expenses. The employee will be responsible for the following:

- analyzing client utilization patterns;
- coordinating and recruiting providers;
- analyzing claim data to determine outcomes; and
- providing data analysis for reporting requirements.

**Medicaid Management Information System.** The MMIS will need changes to enable reporting of medical home provider claims and the addition of a medical home flag to track participating providers. These changes are expected to require 430 programming hours at \$126 per hour (\$54,180). Additional information system costs include licensing costs and data tools totaling \$2,220.

**Expenditures Not Included**

Pursuant to a Joint Budget Committee policy, funding for the items noted below will not be included in fiscal note expenditure estimates.

- group health, life and dental insurance
- inflation indices
- amortization equalization disbursements
- supplemental amortization equalization disbursements
- short-term disability
- leased space
- indirect costs

**State Appropriations**

This fiscal note indicates the following appropriation be made in FY 2007-08:

- Department of Health Care Policy and Financing - \$118,128, split between the General Fund (\$44,965) and federal funds (\$73,163).

**Departments Contacted**

Health Care Policy and Financing

Public Health and Environment