



Colorado Legislative Council Staff Fiscal Note
STATE
FISCAL IMPACT

Drafting Number: LLS 07-0075
Prime Sponsor(s): Sen. Sandoval
 Rep. Stafford

Date: January 8, 2007
Bill Status: Senate Health & Human Services
Fiscal Analyst: Amy Larsen (303-866-3488)

TITLE: CONCERNING EXTENDING MEDICAID ELIGIBILITY FOR PERSONS WHO ARE IN THE FOSTER CARE SYSTEM IMMEDIATELY PRIOR TO EMANCIPATION.

Fiscal Impact Summary	FY 2006-2007	FY 2007-2008	FY 2008-2009
NET TOTAL			
State Revenue	\$0	\$0	\$0
State Expenditures	43,200	8,281,730	11,708,748
FTE Position Change	0.0 FTE	0.0 FTE	0.0 FTE
State Expenditures Detail			
General Fund	\$12,938	\$4,140,865	\$5,854,374
Federal Funds	30,262	4,140,865	5,854,374
Effective Date: Upon Signature of the Governor			
Appropriation Summary for FY 2007-2008: See State Appropriations section of the fiscal note.			

Summary of Legislation

This Health Care Task Force bill expands Medicaid eligibility to young adults, who are under 21 years of age and who were in the foster care system immediately prior to their 18th birthday or emancipation. Currently, most foster children lose Medicaid eligibility on their 18th birthday or when they graduate from high school.

State Expenditures

Total state expenditures are expected to increase by \$43,200 in the current fiscal year, \$8,281,730 in FY 2007-08, and \$11,708,748 in FY 2008-09. These expenses are shared between the General Fund and federal funds as shown in Table 1 and discussed below.

Table 1. Expenditures Under SB07-002			
Cost Components	FY 2006-07	FY 2007-08	FY 2008-09
Department of Health Care Policy and Financing			
Computer System Changes	\$34,650		
Medical Services Premiums		\$3,900,859	\$5,486,456
Mental Health Services		\$4,380,871	\$6,222,292
Department of Human Services			
Computer System Changes	\$8,550		
TOTAL	\$43,200	\$8,281,730	\$11,708,748
General Fund	12,938	4,140,865	5,854,374
Federal Funds	30,262	4,140,865	5,854,374

Department of Health Care Policy and Financing. The bill contains a safety clause making it effective upon signature of the Governor. For fiscal note purposes, it is assumed that the bill will be effective May 1, 2007. At that time, the department will amend the state plan, implement emergency rules, and make necessary computer changes to implement the bill. Changes to the Medicaid Management Information System (MMIS) will cost \$34,650 in FY 2006-07 only.

In FY 2007-08, an additional 1,471 young adults will receive Medicaid services. Per capita costs for medical services premiums of \$3,182 and mental health services expenditures of \$3,574 are based on historical Medicaid costs for foster children and 10 months of services. Total expenditures of \$8,281,730 are expected in FY 2007-08, split equally between the General Fund and federal funds (\$4,140,865 each).

In FY 2008-09, the caseload will increase to 1,678. In addition, per capita costs will increase to \$3,270 for medical services premiums and \$3,708 for mental health services. Expenditures include a full year of services. Total expenditures of \$11,708,748 are expected in FY 2008-09, split equally between the General Fund and federal funds (\$5,854,374 each).

Department of Human Services. Changes to MMIS require companion changes to the Colorado Trails system. The development and testing of these application changes and related training of end users is expected to take 120 hours with a one-time cost of \$8,550 in FY 2006-07. This cost is shared equally between the General Fund and federal funds.

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

For FY 2006-07, the fiscal note indicates that the following appropriations be made:

- Department of Health Care Policy and Financing -- \$34,650. Of the total, \$8,662 is from the General Fund, and \$25,988 is from federal funds; and
- Department of Human Services -- \$8,550 split equally between the General Fund and federal funds (\$4,275 each).

For FY 2007-08, the fiscal note indicates that the Department of Health Care Policy and Financing should receive an appropriation of \$8,281,730 split equally between the General Fund and federal funds (\$4,140,865 each).

Departments Contacted

Health Care Policy and Financing

Human Services