

Colorado Legislative Council Staff Fiscal Note

STATE

CONDITIONAL FISCAL IMPACT

Drafting Number: LLS 09-0145
Prime Sponsor(s): Rep. Frangas

Date: January 7, 2009
Bill Status: House Health and Human Services
Fiscal Analyst: Amy Larsen (303-866-3488)

TITLE: CONCERNING THE CREATION OF AN ACCOUNTABILITY BOARD TO REVIEW GRIEVANCES RELATED TO THE COLORADO INDIGENT CARE PROGRAM.

Fiscal Impact Summary	FY 2009-2010	FY 2010-2011
State Revenue	\$ 0	\$ 0
State Expenditures General Fund Federal Funds	See State Expenditures section "	
FTE Position Change	0.0 FTE	0.0 FTE
Effective Date: August 4, 2009, assuming that the General Assembly adjourns as scheduled on May 6, 2009, and that a referendum petition is not filed.		
Appropriation Summary for FY 2009-2010: None required.		
Local Government Impact: None		

Summary of Legislation

This bill, as recommended by the Health Care Task Force, creates the Colorado Indigent Care Program Accountability Board (CICP Board) within the Department of Health Care Policy and Financing. The CICP Board is established to review grievances submitted by medically indigent clients who have received care through CICP. The executive director of the department is to appoint at least 4 members to the CICP Board, which must meet at least quarterly.

The Medical Services Board must adopt rules for the CICP Board including the process for reviewing grievances. The bill outlines several remedies that the CICP Board may recommend to the department should a grievance have merit, including the following:

- a mandatory second opinion;
- the transfer of a medically indigent client to a different medical provider;
- the treatment of a medically indigent client by a private medical provider; or
- the use of mediation with the medical provider and the medically indigent client.

If the department does not follow the recommendation of the CICP Board, the department must inform the client of its reasons. The CICP Board must file a quarterly report with the department. A sunset review of the CICP Board is required prior to its repeal in 2016.

Background

The CICP partially reimburses health care providers for medical services provided to the uninsured who have incomes up to 250 percent of poverty and who do not qualify for Medicaid or the Children's Basic Health Plan. The CICP is not an entitlement program, and it does not offer a defined list of benefits. It is a safety net program for people who do not have the means to pay for health care. The program provides partial reimbursement for about 172,500 Coloradans to 45 participating hospitals and 16 clinics.

Funding for the CICP is based on policy decisions at the state and federal level, and is not directly dependent on the number of individuals served or the cost of the services provided. For FY 2008-09, funding sources are General Fund (\$21.7 million), other state funds including certification of qualifying expenditures at public hospitals (\$150.9 million), and federal funds (\$172.6 million).

State Expenditures

For FY 2009-10 and FY 2010-11, expenditures are conditional upon the Department of Health Care Policy and Financing's response to recommendations made by the CICP Board. The fiscal note is unable to determine the number and types of grievances that may be filed with the CICP Board and any recommendations it may make to the department.

The bill does not specify how costs for potential remedies, such as mediation, would be paid. The fiscal note assumes that the department will implement recommendations of the CICP Board that comply with program rules and statutory authority and can be accomplished within current funding. The department is not obligated to follow CICP Board recommendations. Any change in funding would be addressed through the annual budget process.

The bill also allows reimbursement of expenses for CICP Board members. The CICP Board is required to meet quarterly, but may meet as often as necessary to review grievances. The fiscal note assumes that these expenses will be minimal (less than \$5,000 annually) based on a 4 person board, meeting 4 times per year. However, additional funding may be required if the CICP Board membership is expanded and if more meetings are necessary.

Departments Contacted

Health Care Policy and Financing

Regulatory Agencies