


Colorado Legislative Council Staff Fiscal Note
STATE
FISCAL IMPACT

Drafting Number: LLS 10-0249
Prime Sponsor(s): Rep. Roberts; Tyler
 Sen. Williams

Date: January 25, 2010
Bill Status: House Health and Human Services
Fiscal Analyst: Janis Baron (303-866-3523)

TITLE: CONCERNING THE REQUIREMENT FOR A CERTAIN LIFE EXPECTANCY PROGNOSIS FOR PERSONS RECEIVING HOSPICE CARE THROUGH MEDICAID.

Fiscal Impact Summary	FY 2010-2011	FY 2011-2012
State Revenue		
State Expenditures		
General Fund	\$12,500	\$12,500
Federal Funds	12,500	12,500
FTE Position Change		
Effective Date: August 11, 2010, assuming the General Assembly adjourns May 12, 2010, as scheduled and no referendum petition is filed.		
Appropriation Summary for FY 2010-2011: See State Appropriations section.		
Local Government Impact: None.		

Summary of Legislation

This bill is recommended by the Interim Committee on Hospice and Palliative Care. Under current law, Colorado requires a certified medical prognosis of life expectancy of 6 months or less for a patient to receive hospice care in the Medicaid program. This bill changes the time requirement from 6 months to 9 months, contingent upon the Department of Health Care Policy and Financing receiving federal approval to make such a change. If approved, the department is required to notify the Revisor of Statutes within 60 days after receipt of federal approval.

State Expenditures

Department of Health Care Policy and Financing — \$25,000 in both FY 2010-11 and FY 2011-12 for contract services. Federal regulation requires that the prognosis for life expectancy be 6 months in order to qualify for hospice care. Currently, the state's Medicaid plan is compliant with this regulation. An 1115 demonstration waiver would be needed by the federal Centers for Medicare and Medicaid Services (CMS) to amend the state's Medicaid plan to comply with the bill.

Contract services would be used to research, draft, and submit the waiver. The contractor would also assist the department in responding to requests for information from CMS once submitted. Average time for approval is about 18 months.

Any increase in hospice care stays or decrease in hospital stays due to approval and implementation of the waiver cannot be quantified at this time. It is important to note that 1115 waivers must be budget neutral. This analysis assumes that the contractor will research offsetting costs and savings as part of the waiver process, and that the bill will not be implemented if budget neutrality cannot be demonstrated. If approved, any fluctuations in medical services would be addressed through the annual budget process.

State Appropriations

For FY 2010-11, the fiscal note indicates an appropriation of \$25,000 to the Department of Health Care Policy and Financing. Of the total amount, \$12,500 is General Fund and \$12,500 is federal funds.

Departments Contacted

Health Care Policy and Financing