


Colorado Legislative Council Staff Fiscal Note
STATE
FISCAL IMPACT

Drafting Number: LLS 11-0133

Date: February 2, 2011

Prime Sponsor(s): Rep. Looper

Bill Status: House Economic & Business Development

Fiscal Analyst: Clare Pramuk (303-866-2677)

TITLE: CONCERNING THE REGULATION OF MOTOR VEHICLES THAT TRANSPORT RECIPIENTS OF MEDICAL ASSISTANCE UNDER THE MEDICAID PROGRAM.

Fiscal Impact Summary	FY 2011-2012	FY 2012-2013
State Revenue		
Cash Funds		
Motor Carrier Cash Fund	\$3,470	\$710
Civil Background Cash Fund	2,291	593
State Expenditures		
Cash Funds		
Motor Carrier Cash Fund	\$1,926	\$2,447
Pass through to FBI	1,290	334
FTE Position Change		
Effective Date: August 10, 2011, if the General Assembly adjourns on May 11, 2011, as scheduled, and no referendum petition is filed.		
Appropriation Summary for FY 2011-2012: See State Appropriations section.		
Local Government Impact: None.		

Summary of Legislation

This bill exempts companies that provide non-emergency medical transportation (NEMT) from regulation as a public utility by the Public Utilities Commission (PUC). NEMT drivers will be required to undergo a fingerprint-based criminal history record check, hold a valid Colorado driver's license and pay a \$35 fee.

Background

Most Medicaid clients are eligible for Medicaid-paid transportation services to routine and urgent medical appointments when no other source of transportation is available. NEMT services are funded with 50 percent state and 50 percent federal funds. Services can be provided by ambulances, buses, privately owned cars, taxis, airplanes, trains, luxury limousines, wheelchair vans or stretcher vans. Providers of NEMT services can be exempt from PUC regulation, or regulated as common carriers, contract carriers, or carriers exempt from rate regulation.

State Revenue

The bill is expected to increase cash fund revenue by \$5,761 in FY 2011-12 and \$1,303 in FY 2012-13 from fees.

Fee Impact on Individuals, Families or Business. Section 2-2-322, C.R.S., requires legislative service agency review of measures which create or increase any fee collected by a state agency. Table 1 identifies the fee impact of this bill which is described below.

Table 1. Fee Impact on Individuals, Families or Business Under HB11-1112					
Type of Fee	Fee	Number Affected FY 2011-12	Fee Impact FY 2011-12	Number Affected FY 2012-13	Fee Impact FY 2012-13
NEMT registration fee	\$35.00	96	\$3,360	15	\$525
Vehicle identification stamp	5.00	22	110	37	185
Motor Carrier Cash Fund			\$3,470		\$710
Finger-print based criminal history record check*	39.50	58	2,291	15	593
Civil Background Cash Fund			\$2,291		\$593
Totals			\$5,761		\$1,303

**Assumes 1 driver per NEMT provider.*

The fiscal note assumes that 36 NEMT providers currently regulated as public utilities, will be subject to the bill. In addition, 38 providers assumed to already operate as exempt from regulation as public utilities, will be subject to the bill. For FY 2011-12, the fiscal note assumes that 96 providers will be required to pay a fee to register as NEMT providers under the new regulations. This includes 22 new providers that are expected to enter the market because of the lower barrier to entry. An additional 15 new providers are expected in 2012-13.

Current exempt providers are already required to undergo fingerprint based criminal record checks so only the current contract carrier NEMTs and new providers will require record checks. All providers must purchase vehicle identification stamps, so stamp revenue is only shown for new providers.

State Expenditures

This bill is expected to increase cash funds expenditures by \$3,216 in FY 2011-12 and \$2,781 in FY 2012-13. This includes \$1,290 in FY 2011-12 and \$334 in FY 2012-13 that will pass through to the FBI for record checks.

Public Utilities Commission. The PUC currently regulates carriers that can provide NEMT services under 3 different regulatory schemes as shown in Table 2.

Table 2. Types of PUC Regulated Carriers				
Regulatory Requirements	Common Carriers	Contract NEMT Carriers	Exempt Carriers	NEMT Carriers Under HB11-1112
Rate Regulation	Yes	Yes	No	No
Registration Fee	\$35	\$35	No fee	\$35
Fingerprint-based Criminal History Background Check	Required	Not required	Required	Required
PUC Safety Inspections	Yes	Yes	Yes	Yes

By exempting contract NEMT carriers from being regulated as public utilities, the application process for these providers no longer requires an analysis of rates. This reduces the PUC workload for new carriers. The inspection workload for PUC will increase because of the additional carriers but remain unchanged for the existing contract carriers and exempt carriers. The net cost is shown in Table 3.

Table 3. Expenditures Under HB11-1112		
Cost Components	FY 2011-12	FY 2012-13
Personal Services	\$1,926	\$2,447
FTE	0.0	0.0
TOTAL	\$1,926	\$2,447

Department of Public Safety. The department will perform at least 58 background checks in FY 2011-12 and 15 in FY 2012-13 within existing resources. Since information on the number of drivers working for NEMT providers is unknown, the fiscal note assumes 1 driver per NEMT provider. Table 4 shows the distribution of the fees collected for background checks.

Table 4. Background Check Fee Distribution		
Cost Components	FY 2011-12	FY 2012-13
To CBI – \$22.25 for Colorado background check	\$1,001	\$259
To FBI – \$17.25 for federal check	1,290	334
TOTAL	\$2,291	\$593

State Appropriations

The PUC in the Department of Regulatory Agencies requires a cash funds appropriation of \$1,926 for FY 2011-12 from the Motor Carrier Cash Fund.

Departments Contacted

Health Care Policy and Financing
Public Safety

Regulatory Agencies