

**JBC STAFF FISCAL ANALYSIS
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING MONEYS APPROPRIATED IN THE 2011-12 FISCAL YEAR FOR HEALTH CLINICS, AND MAKING AN APPROPRIATION THEREFOR.

Prime Sponsors: Senator Hodge
Representative Ferrandino

JBC Analyst: Melodie Beck
Phone: 303-866-2061
Date Prepared: April 12, 2011

Summary of Amendments Made to the Bill After the 04/11/11 Legislative Council Staff Fiscal Note Was Prepared

None.

JBC Staff Concurrence with Legislative Council Staff Fiscal Note

Concurs **Does Not Concur** **Updated Analysis**

The Senate amended the bill to transfer \$1.8 million from the General Fund to the Colorado Health Care Service Fund.¹ The Legislative Council Staff Fiscal Note dated April 12, 2011 reduces the General Fund expenditure savings in this bill from \$15.8 million to \$14.0 million or by \$1.8 million. However, the General Fund reduction from the Senate Amendment was a revenue impact and not an expenditure impact. Therefore, the appropriation clause shows a decrease of \$15.8 million General Fund, an increase of cash funds of \$1.8 million, and an increase in federal funds of \$12.6 million as described in the Appropriation Status section below.

Amendments/Appropriation Status

The bill includes an appropriation clause that adjusts FY 2011-12 appropriations to the Department of Health Care Policy and Financing as described in the table below.

FY 2011-12 Appropriation Impacts				
Line Items	GF	CF	FF	TF
Medical Service Premiums	(15,775,670)	15,775,670	0	0
Health Care Services Fund	0	12,568,500	12,568,500	25,137,000
Primary Care Special Distribution Fund	0	1,722,330	0	1,722,330
Primary Care Fund	0	(28,253,000)	0	(28,253,000)
TOTAL	(\$15,775,670)	\$1,813,500	\$12,568,500	(\$1,393,670)

¹The Senate funded this amendment by transferring \$2.0 million from the State Licensing Cash Fund to the General Fund in S.B. 11-226.

Bill Sponsor Amendments

Amendment **L.005** (attached) reverses the amendment adopted by the Senate that transferred \$1.8 million General Fund to the Colorado Health Care Services Fund and that increased appropriations to Denver Health and the Federally Qualified Health Centers by \$3.6 million. The bill's appropriation impact with amendment L.005 is described in the table below.

FY 2011-12 Appropriation Impacts				
Line Items	GF	CF	FF	TF
Medical Service Premiums	(15,775,670)	15,775,670	0	0
Health Care Services Fund	0	10,755,000	10,755,000	21,510,000
Primary Care Special Distribution Fund	0	1,722,330	0	1,722,330
Primary Care Fund	<u>0</u>	<u>(28,253,000)</u>	<u>0</u>	<u>(28,253,000)</u>
TOTAL	(\$15,775,670)	\$0	\$10,755,000	(\$5,020,670)

Points to Consider

1. The Joint Budget Committee (JBC) has introduced a balanced budget package for FY 2011-12 based on the March 2011 Office of State Planning and Budgeting revenue forecast. The JBC has included as part of its plan the General Fund savings that would result from the passage of this bill, as introduced. Thus, if this bill does not become law with at least \$15.8 million in General Fund savings for FY 2011-12, General Fund expenditures will need to be reduced elsewhere in the FY 2011-12 budget by \$15.8 million. Amendment **L.005** returns the bill to the introduced appropriations impact.
2. The Senate adopted an amendment that transferred \$1.8 million General Fund to the Colorado Health Care Services Fund. If S.B. 11-226 does not pass with at least a \$2.0 million transfer from the Licensing Services Cash Fund to the General Fund, the budget will be out of balance by \$1.8 million General Fund.