

**STATE and LOCAL
FISCAL IMPACT**

Note: This fiscal note is written pursuant to Joint Rule 22 (b)(2) and reflects strike below Amendment L.001

Drafting Number: LLS 11-0087
Prime Sponsor(s): Rep. Acree
Sen. Boyd

Date: February 22, 2011
Bill Status: House Health and Environment
Fiscal Analyst: Kerry White (303-866-3469)

TITLE: CONCERNING MEASURES TO EXPAND ACCESS TO HEALTH CARE THROUGHOUT THE STATE.

Fiscal Impact Summary	FY 2011-2012	FY 2012-2013
State Revenue		
State Expenditures	<u>\$215,889</u>	<u>\$456,232</u>
General Fund	107,945	228,116
Federal Funds	107,944	228,116
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: See Local Government Impact Section		

Summary of Legislation

This bill seeks to expand access to health care services by allowing grant moneys to be awarded for rehabilitative services and extending eligibility for the Colorado Health Service Corps, the state loan repayment program, to health care providers in federally-designated health professional shortage areas (HPSA). It also directs the Department of Health Care Policy and Financing (DHCPF) to reimburse a health care provider for covered services regardless of the provider's location and extends governmental immunity to certain providers practicing in a rural health clinic.

Background

HPSA are determined based on the number of primary medical care, dental, or mental health providers and may be geographic (county or service area), demographic (low-income population), or institutional (available health centers). Medically underserved is a broad term used to describe areas or populations as having too few primary care providers, or having high rates of infant mortality, poverty and/or elderly populations. In Colorado, all but the following 10 counties are designated as a HPSA: Broomfield, Chaffee, Douglas, Eagle, Gunnison, Hinsdale, Pitkin, San Juan, Summit, and Teller.

State Expenditures

For FY 2011-12 state expenditures will increase by at least \$215,889 including \$107,945 General Fund and \$107,944 federal funds. In FY 2012-13 state costs will increase by at least \$456,232, including \$228,116 General Fund and \$228,116 federal funds. Table 1 and the discussion that follows address the cost components of the bill.

Cost Components	FY 2011-12	FY 2012-13
Medicaid reimbursements	\$215,889	\$456,232
Colorado Health Service Corps	to be determined	to be determined
Risk Management	to be determined	to be determined
TOTAL	\$215,889	\$456,232

Medicaid reimbursements. To the extent that providers serve Medicaid clients in underserved areas or through non-traditional means, program costs will increase. The fiscal note assumes Medicaid reimbursements will increase by 0.45 percent in the first year and 0.89 percent in the second year, for a total of \$215,889 in FY 2011-12, and \$456,232 in FY 2012-13. Costs are funded with equal amounts of General Fund and federal funds.

Colorado Health Service Corps. The Colorado Department of Public Health and Environment manages applications and loan payments for health professionals that participate in the program. To the extent that the federal government provides matching funds and more health professionals apply to participate in the program due to becoming newly eligible, staff costs and loan payment subsidies will increase. Any increase in costs will be paid with cash and federal funds, and addressed through the annual budget process.

Risk management. By modifying the definition of a public employee to include health care providers operating in a rural health clinic and thereby extending governmental immunity to these persons, the state may incur costs related to risk management. The fiscal note assumes that these providers could be covered under the state's liability insurance, which could result in rate increases. The state may also incur legal costs related to any claims arising against these providers. Any increase in costs under HB11-1217 will be addressed through the annual budget process.

Local Government Impact

Similar to the state impact described above, to the extent that local governments operate or allow their property to be used as a rural health clinic, risk management costs could increase. This amount has not been estimated.

State Appropriations

For FY 2011-12, the Department of Health Care Policy and Financing requires an appropriation of \$215,889, including \$107,945 General Fund and \$107,944 federal funds.

Departments Contacted

Governor's Office
Personnel and Administration

Health Care Policy and Financing
Public Health and Environment